

045077

JPRS-CRF-85-023

26 November 1985

China Report

RED FLAG

No 18, 16 September 1985

DISTRIBUTION STATEMENT A
Approved for Public Release
Distribution Unlimited

DTIC QUALITY INSPECTED 2

19991221 108

FBIS FOREIGN BROADCAST INFORMATION SERVICE

Reproduced From
Best Available Copy

REPRODUCED BY
NATIONAL TECHNICAL
INFORMATION SERVICE
U.S. DEPARTMENT OF COMMERCE
SPRINGFIELD, VA. 22161

10
92
A05

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

26 November 1985

CHINA REPORT

RED FLAG

No 18, 16 SEPTEMBER 1985

Translation of the semimonthly theoretical journal of the Central Committee of the Communist Party of China published in Beijing.

CONTENTS

Important Teaching Material for Conducting Education on Ideals and Discipline in a Deep-Going Manner (p 2).....	1
Discussing the Situation, Ideals, Discipline, and Style (pp 3-9) (RED FLAG Editorial Department).....	3
Strengthen the Study of the History of the Anti-Japanese War and the World's Antifascist War (pp 10-12) (Hu Qiaomu).....	14
Thoughts on Teachers' Day (pp 12-13) (Zhong Jingwen).....	18
The Historical Responsibility of Middle-Aged Teachers (pp 14-15) (Lu Longxiang).....	21
Be Ever Loyal to the People's Educational Cause (pp 15-16) (Xu Yi).....	24
Act as a Torch Kindling the Flames of Ideals in Children and Youths (pp 16-17) (Hua Yaoguo).....	26
Great Victory of Integrating the Party's Line, Principles, and Policies With Xinjiang's Reality--Celebrating the 30th Anniversary of the Founding of the Xinjiang Uygur Autonomous Region (pp 18-24) (Wang Enmao).....	29

Peace, Detente, and Disarmament Accord With the Will of the People Throughout the World (pp 25-27) (Ye Ruan).....	41
Socialist Production Relations Should Be Able To Promote the Development of the Productive Forces (pp 28-33) (Xue Muqiao).....	46
Strengthen Macro Control (pp 34-35) (Jing Ping).....	56
Arouse Enterprises' Enthusiasm for Internal Accumulation (pp 35-37) (He Yubo).....	59
Tell the Truth; Do Not Tell Lies (pp 38-39) (Zheng Weizhang).....	64
Grasping Major Issues, Grasping Minor Issues (p 40) (Mi Bohua).....	67
Reform Teaching, Strengthening Theoretical Education on Marxism in Institutions of Higher Learning (pp 41-44, 45) (Lu Zhichao).....	70
Roundup of the Discussion Concerning the Reform of the Teaching of Political Economics (Socialist Section) (pp 45-47) (RED FLAG Theoretical Education Editorial Office).....	77
Pondering Over the Revolutionary History of the Peasants--On Reading the Novel 'Great Earth' (p 48) (Guo Rui).....	82
Study Some Marxist Party Theory--Recommending 'An Outline of Marxist Party Theory' (inside back cover) (Su Caiqing, Dai Guangtian).....	85
Welcoming Subscriptions to RED FLAG in 1986 (outside back cover).....	87

IMPORTANT TEACHING MATERIAL FOR CONDUCTING EDUCATION ON IDEALS AND DISCIPLINE
IN A DEEP-GOING MANNER

Beijing RED FLAG in Chinese No 18, 16 Sep 85 p 2

["Forum"]

[Text] The Central Commission for Guiding Party Rectification Work recently issued a circular that listed the six important speeches made by Deng Xiaoping, Chen Yun, and other comrades as documents for study in conducting party rectification and as guiding documents for consolidating the achievements of party rectification and doing well day-to-day ideological and political work. The circular called on CPC committees at all levels to conscientiously study these important speeches. With Marxist foresight and sagacity, these speeches have made brilliant expositions on the fundamental guiding ideology and principles concerning the building of socialism with Chinese characteristics and have explained some major ideological and theoretical questions raised in the practice, which are of universal concern inside and outside the party. They are important teaching materials for conducting education in ideals and discipline in a deep-going manner.

While studying these six speeches, it is necessary to comprehend and master the following spiritual essence: 1) The primary task of socialism is to develop the productive forces, pauperism is not tantamount to socialism. 2) Reform must be carried out unswervingly. As reform is a new emerging thing, mistakes arising therefrom should be corrected. However, the general orientation should never change. 3) The purpose of opening up to the interior and the outside, importing foreign capital (including joint ventures and exclusively foreign-investment enterprises), and economic reform is to develop the socialist economy, make the country powerful and people prosperous, attain the socialist four modernizations, and ultimately realize communism. 4) The whole party should persistently adhere to the building of socialist material and spiritual civilization. Neither should be neglected at the expense of the other. The building of spiritual civilization promotes the building of material civilization and ensures that it will always develop along the correct political orientation. The building of material civilization can lay a solid foundation for the building of socialist spiritual civilization. 5) While carrying out economic reform, it is necessary to develop political democracy. The institutionalization and legalization of socialist democracy is an important political guarantee for the long-term

stability of the state. 6) It is necessary to strengthen ideological and political work and to attack economic criminal offenders. It is essential to frequently explain that we are carrying out socialist modernization and not bourgeois liberalization. To carry out bourgeois liberalization means taking the capitalist road. If we do so, our society will be in a mess and it will be difficult to carry out any construction. Every party member, youth league member, and state cadre should firmly bear in mind these basic ideas and viewpoints and put them into practice.

Regarding the broad ranks of party members and cadres, the most important thing is to enhance their sense of party spirit through the study drive. One of the manifestations of impure party spirit at present is that some comrades are unwilling to stress ideals and discipline, and particularly lofty communist ideals. Some even hold that it is unnecessary to mouth high-sounding words of communism during the period of socialism. A handful of party members and party-member leading cadres even ignore the policies, discipline, and regulations of the party and state, practice the so-called "you have your policy, I have my countermeasures," and abuse power to seek personal gains. With the speeches of Deng Xiaoping and Chen Yun as the guide, party organizations at all levels should seize upon the problems and solve them with great efforts so as to educate the broad ranks of party members and cadres. Only in this way can we triumphantly accomplish the task and consolidate the achievements of party rectification, improve our party style, and enhance the combat effectiveness of our party.

There is no need to worry that the study drive may delay the ongoing reforms. The people who abandon ideals and discipline and the ideas and practices by engaging in evil-doing under the pretext of reform are factors that actually harm and undermine reform. Leading cadres of the party and government at all levels should take full account of the issue. The reform of the economic structure must be adhered to because it is the only way to develop the productive forces. As reform is a new thing, errors and mistakes emerging from reform are understandable and can be corrected. However, we cannot equate illegal activities and evil-doing with reform. While carrying out reform, we must adhere to the socialist orientation and conscientiously implement the policies, discipline, regulations, and decrees of the party and state. By doing a good job in the study drive, we can help our comrades have a clear understanding of the current situation and task, strengthen their courage and confidence in reform, draw a clear line of distinction between right and wrong, and push reform forward in a healthy manner.

/6091

CSO: 4004/5

DISCUSSING THE SITUATION, IDEALS, DISCIPLINE, AND STYLE

Beijing RED FLAG in Chinese No 18, 16 Sep 85 pp 3-9

[Article by RED FLAG Editorial Department]

[Text] The four problems that are to a certain extent of general significance in our current work are worth attaching importance to by our cadres, particularly by all our leading cadres. These four problems are also the problems that we cadres must conscientiously consider and solve when we are working at our posts to make new contributions to the socialist modernization and to the party.

How We Are To Observe the Situation

The issue of how we are to observe the situation is a major section of learning in Marxism, and is a major issue of Marxist theory and strategy. In the works of Comrades Marx, Engels, Lenin and Mao Zedong, we can find many pithy analyses of the situation that they made during their revolutionary lives. Only through correctly observing the situation can we correctly decide the orientation, principles, and policies of our struggle. In other words, to a fairly great extent the correct formulation of the party's line, principles, and policies depends on a correct analysis of the situation.

Concerning the question of how to observe the situation, our party has amassed both successful and unsuccessful experience. Comrade Mao Zedong was always well-known for being good at observing the situation. In the first four volumes of the "Selected Works of Mao Zedong," there are quite a few important articles about the situation and one of them was entitled "The Present Situation and Our Tasks." However, one of the root causes for the serious mistakes in his later years was also his erroneous judgment about the situation. From our current point of view, his article entitled "The Situation in the Summer of 1957" is mostly wrong and had a fairly far-reaching negative impact, though there are quite a few correct ideas in it, such as the idea about the building up of the working class' own large army of intellectuals. At the 10th Plenary Session of the 8th CPC Central Committee at Beidaihe in 1962, Comrade Mao Zedong gave a special speech on "situation, contradictions, and classes," which further systemized the "leftist" things. By the time of the "Great Cultural Revolution," he not only said that there were "capitalist roaders" inside our party, but also

said, "there is a bourgeoisie precisely in the party." As a result, there were 10 years of widespread turmoil! Why were the line and policies wrong? Obviously, a major cause was the erroneous analysis of the situation.

During the past few years, many comrades have drawn on profound lessons concerning the question of how we are to judge the situation. For example, on the eve of the smashing of the "gang of four" in 1976, the "gang of four" was extremely unpopular and was on the verge of collapse, but some comrades failed to see this situation clearly and confounded rights and wrongs. As a result, these comrades committed mistakes! Around the time of the 3d Plenary Session of the 11th CPC Central Committee, as a matter of fact, since the smashing of the "gang of four," our party had already overcome the serious crisis caused by the 10 years of civil disorder, restored its vitality, begun to forge ahead full of vigor, and was once more carrying on the scientific spirit of integrating the basic principles of Marxism with practice in China. However, some comrades said that there was a "crisis" called the "confidence crisis." At that time an erroneous ideological trend indeed emerged, therefore, Comrade Deng Xiaoping clearly put forth the idea of "adhering to the four basic principles," and thus pointed out the general orientation in which to forge ahead toward. This was very important, but it by no means signified that our party had encountered any "crisis" at that time. The crisis, if there was any, was before the fall of the "gang of four." How could there be a crisis after the fall of the "gang of four"? For another example, a fairly large number of our comrades lacked confidence in our ability to quadruple our gross industrial and agricultural output value by the end of this century; in particular, our ability to develop our agriculture. This was a problem of confidence related to the quadrupling. It was not solved until 1983.

Therefore, our estimate and judgment about the situation is a major issue that has a bearing not only on the question of whether we are able to correctly formulate our line, principles, and policies, but also on the firmness of our confidence and faith.

How are we to view the present situation in our country? There are two radically different views on the domestic and international situation. One holds that we are in an extremely good situation where everything is satisfactory. The other holds that everything is bad for us and we are backward in everything without any hope of reinvigoration. These views are diametrically different and rouse us to ask what the real situation is. We should adopt the method of dialectical analysis. First, we should confirm that the situation is indeed fairly good. The past few years is a period when the situation has been one of the best periods because the situation is as good as that in the initial period of the founding of the PRC. If we fail to confirm this, we will go astray and it will be impossible for us to establish our confidence. However, on the other hand, we should soberly see that there are still many problems and difficulties. Our failure to see the problems and difficulties will cause us to become proud and make the mistake of imprudence.

We have two principles to counter these radical views. First, we generally do not refute what people abroad have said about everything being bad for us, for we have many things to do and it will be too troublesome to refute all the criticisms of these things. Second, we do not force our successful experience on other people. By now, there have been over 60 years of socialist society, counting from the October Revolution in Russia. The question of how socialism should be built should be answered by prolonged practice. In practicing socialism, no one can regard himself as being perfect and free from any defects. We should allow and encourage people to explore in accordance with the basic principles of socialism. This alone is a Marxist attitude and the attitude of seeking truth from facts.

Will we ever be able to attain the goal of quadrupling? Not only can we attain it, but we can also attain it ahead of schedule. Last year, our country's gross industrial and agricultural output value was over 1,040 billion yuan (calculated at the fixed prices in 1980). Supposing the growth rate of our industry and agriculture will be 16 percent this year, then the gross industrial and agricultural output value for this year will be over 1,040 billion yuan plus over 166 billion yuan, making a total of more than 1,200 billion yuan. This will not be far from the target of over 1,400 billion yuan, a target of doubling that we planned to attain. Of course, the CPC Central Committee and the State Council have time and again pointed out that we should not lay too much stress on growth rate, but should first stress economic results. The problem now is that in the first half of this year, the gross industrial output value rose by 23 percent, almost double that of last year. We have to analyze this situation. On the one hand, this was due to the fact that our policies played their role to give play to the initiative and enhance the vitality of our economy. On the other hand, there have indeed been some abnormal factors called "excessively high growth rate." There have been four abnormal factors related to this "excessively high growth rate": The excessive scale of capital construction, the excessive expansion of consumption funds, the excessive expansion of credit and the excessive spending of our foreign exchange. The excessive scale of capital construction and the excessive expansion of credit will cause people to rush to buy raw industrial materials, while the excessive expansion of consumption funds will cause people to rush to buy consumer goods. In short, the excessive growth of output value will inevitably give rise to an imbalance between supply and demand and have an all-round impact on our prices and finance. This is one of the major problems, if any, in our economic situation. But this is a problem in the process of progress. If we all pay attention to it, we will find a way to solve it.

The present reform is correct in orientation and we must be firm and unshakable rather than wavering with confused ideas in this regard. If we seize the opportunity and strive to straighten things out in various fields of endeavor within a short period of time, we will be able to lay a solid foundation not only for the economic invigoration in the coming decade but also for the sustained, steady, and healthy development of the national economy in the next century. Therefore, seizing the opportunity and doing a good job in reform has a bearing on both the present situation and the situation in the coming several decades.

There are indeed many problems in such areas as the political situation, party style, and the work style of cadres. However, generally speaking, the situation, both economic and political, is very fine. China is vigorously forging ahead. We must not shut our eyes to the basic fact that the overall situation in the country is developing favorably and make no all-round analysis of the situation, merely because of the appearance and existence of some problems in our work. If we stress partial phenomena and see the partial as the general situation or if we proceed from some abstract concepts rather than from reality, it will be impossible for us to make a correct judgment of the objective situation.

In his work "Again on Trade Unions, the Current Situation, and the Mistakes of Trotsky and Bukharin," Lenin put forth four viewpoints on how to observe social phenomena. First, he pointed out: "If we are to have a true knowledge of an object we must look at and examine all its facets, its connections, and all the 'media.'" He said: "That is something we cannot even hope to achieve completely, but the rule of comprehensiveness is a safeguard against mistakes and rigidity." In other words, we must not rashly make any judgment or issue any circular and proceed to create a gust of wind in doing something by just seizing a trifle or even just getting wind of something. Second, he stressed "an object should be taken in development, in change, and in 'self-movement.'" That is to say, history is advancing and we must observe things in development. Third, he said: "A full 'definition' of an object must include the whole of human experience, both as a criterion of truth and a practical indicator of its connection with human wants." This viewpoint requires us to take human practical activities into consideration in observing objective things and not to discuss the situation in the absence of human practice. Fourth, he went on to stress: "Truth is always concrete, never abstract." Hence, we are required to make a concrete analysis of concrete conditions and not to proceed from abstract concepts. These four viewpoints of Lenin's are indeed a fine summarization. When reading his works, we must try to master his method of analysis, that is, grasping an object in an overall manner to avoid one-sidedness and grasping the relationship between things and the whole of human experience to avoid seeing problems as isolated and static.

In his article "A Single Spark Can Start a Prairie Fire," Comrade Mao Zedong incisively criticized the view that puts one-sided stress on the appearance of things to the neglect of their essence. He pointed out: "When we look at a thing, we must examine its essence and treat its appearance merely as an usher at the threshold, and once we cross the threshold, we must grasp the essence of the thing; this is the only reliable and scientific method of analysis." There is an expressive passage in the "Problems of Strategy in China's Revolutionary War." It says: "Discard the dross and select the essential, eliminate the false and retain the true, and proceed from the one to the other and from the outside to the inside." He pointed out: "A commander's correct dispositions stem from his correct decisions, his correct decisions stem from his correct judgments, and his correct judgments stem from a thorough and necessary reconnaissance and from pondering on and piecing together the data of various kinds gathered through reconnaissance." These remarks of Comrade Mao Zedong's require us to ponder on and piece

together the gathered data rather than making any judgment or conclusion by seizing on a fragment of information. In judging the situation, if we base ourselves on superficial and fragmental data, if we do not ponder things in a continuous, systematic, and orderly manner, and if we take the attitude of not seeing the woods for the trees, the conclusions we reached may not be reliable and we will possibly be cheated.

All cadres, leading cadres in particular, must regularly make a correct analysis of the situation in the localities and departments where they work and observe the situation in their own fields in connection with the overall situation. This is an indispensable condition for carrying out the correct line, principles, and policies of the CPC Central Committee and doing our work well.

The Way of Propagating Ideals

Several Years ago Comrade Deng Xiaoping raised the question of having lofty ideals, moral integrity, education, and a sense of discipline. This year he touched on the question on many occasions, particularly stressing ideals and discipline. Our party must propagate ideals and conscientiously and enthusiastically conduct education in ideals among party members, cadres, and the people, in particular the youth.

Ideals are a spiritual pillar vital to our country and nation. Without ideals and without knowing what one should do and where one should head for, it will be impossible for one to act firmly and correctly. In Western capitalist countries, being spiritually hollow, many people do not know which way to go and what to do in the days to come. If a man or a nation thinks only of the immediate "small favor" and has no lofty ideals, it will be impossible for him or it to genuinely accomplish something great.

What are ideals? In common parlance, ideals are a belief which is related to the objective of endeavor and which can be realized. What is our loftiest ideal? It is communism. From the very moment when the CPC was founded, it was determined to struggle for the realization of communism in China. Today we still want to encourage more and more people and young people in particular to foster this ideal. On no account must we discard this conviction. Without it, there would be no Communist Party to speak of and without it, we are bound to act blindly.

In 1979 Comrade Deng Xiaoping emphatically raised the proposition of the "four upholds" and later on he pointed out that we should not allow the bourgeois liberalization trend to spread unchecked and that the so-called bourgeois liberalization meant practicing capitalism. However, some comrades do cherish the ideal of capitalism, urging us to take the capitalist road. If we listen to them and if we discard our own lofty ideals, we will go down the evil path and our revolutionary cause will suffer setbacks.

Of course, now we can only give an outline and show the general orientation of communist society. The realization of communism requires a very long historical period and the efforts of many generations of people. However,

communism is not only a social system for the future, but is also a scientific and practical movement of revolution which transforms the old society into the future society. Therefore, when propagandizing the communist ideal, we should pay attention to the following two points: First, we must stress the basic principles and the basic spirit and should never depart from the ultimate goal of realizing communist society. We must also stress that our present modernization drive is socialist in nature. This is an integrated concept, which represents our basic stand. Second, we should proceed from the realities and closely link our ideal with the aims in our actual struggle and should often consider what way we should go at the time being and how we should lead the people to advance toward the ultimate goal. In the few decades to come, we will divide our socialist modernization construction into three major stages. In the first stage from now to the end of this century, we will quadruple the output value on the basis of the figure in 1980 so as to build ours into a comparatively well-off socialist nation; in the second stage which covers the first 20 or 30 years of the next century or which extends to the 100th anniversary of the founding of the CPC, we will build ours into an intermediate-level developed socialist nation; and in the third stage which extends to the middle of the next century or to the 100th anniversary of the founding of the PRC, we will build ours into a first-class prosperous, rich, modern socialist power with a high degree of socialist material and spiritual civilization and with an economic developmental level close to that of the most advanced countries in the world. With the continuous development of social productive forces and the improvement of socialist relations of production in our country, and the advancing of our social values, education, culture, science, and technology, our country will become a strong force for maintaining world peace and promoting human progress. These three major stages will link our supreme ideal closely with our actual struggle objectives in the first 100 years of our People's Republic. This is not only an ideal that all communists should have, but is also an ideal that all patriots should have.

Under such historical conditions, the central task of our ideological and political work is to mobilize all CPC members and the vast number of workers, peasants, and intellectuals to struggle together for the party's objectives in each of the above-mentioned stages, for socialist modernization, and for the nation's prosperity and the people's well-being, and to encourage them to make brave advances and render meritorious service for all this. Thus, we will closely and organically integrate the lofty ideal with the actual work, and will be able to use the concrete struggle objective of the whole party to educate and mobilize our people and to educate our coming generations.

Our struggle for the ideal should not merely be some empty talk; instead, it should be effected by every department, unit, and individual. That is to say, each unit and each individual should have its own plan and objective for making contributions to the party and to society. We should grasp the actual trends of thoughts in different periods, should oppose various erroneous deeds and remarks of seeking selfish gains for individuals and small groups at the expense of the state and the people as a whole, and give publicity to the dedicating spirit. Socialist modernization is the most

important matter that concerns the country's prosperity and the people's well-being. The interests of individuals should also be taken into consideration and should be linked properly with the interests of the collective, the community, and the state. However, if one merely calculates for one's personal interests or for the interest of one's unit without regard to, or even doing harm to, the interests of the state and the people, how could one be regarded as having a lofty ideal? The state of affairs at present shows that this question has yet to be properly solved. There are still some party members who have lost their bearings and have deviated from the socialist course. They are indulging in capitalist practices and they give no thought to the interests of the state and the people. They are in fact practicing individualism. Bourgeois liberalism and individualism in some people's actions are two things that go against our ideal.

We should make efforts to study the questions of how to propagandize the ideal, what position we should take when approaching and handling this matter, and what posture and what kind of language we should use to carry out this propaganda task. Yes, we must seriously deal with these questions.

How To Strengthen Discipline

Comrade Deng Xiaoping linked discipline with the ideal in his speech. It is not enough to merely stress the necessity of having a lofty ideal. If people all go their own ways under the excuse of working for the same ideal, there would be a state of disunity in our society. How could such a situation lead to the realization of the ideal? That would just make a mockery of the so-called "ideal." There are four major tasks in our party rectification, namely, achieving ideological unity, straightening out work style, strengthening discipline, and purifying party organizations. Here, the enforcement of discipline is also linked with ideological work. The first-stage party rectification definitely achieved good results and was carried out smoothly. However, the party rectification has not come to an end and greater efforts must be made henceforth. At present, the state of discipline inside the party and in society is not good, and heaps of problems have yet to be solved. Of course, we have the ability to solve all these problems. But we can solve them only by dealing with them seriously. We are not pessimistic, but we should have a serious attitude.

In order to arouse people's attention, we hereby give some examples: In the field of foreign activities, some people vie with each other in seizing opportunities of going abroad. On their foreign trips, they do not do useful things, but simply spoil business affairs. What they really do on their overseas trips is to get themselves a number of luxurious consumer goods. Some people even act in a way which brings humiliation upon our country in their foreign activities. In the field of production, many enterprises do not pay attention to economic and social results. Their product quality is poor, and they raise prices without authorization. Some enterprises even practice fraud by making and selling false medicine and counterfeit goods, thus damaging the health of the public. How could these cases not be seriously dealt with according to the criminal law? In the field of transport, some personnel of the public transport departments treat passengers

and handle cargo and luggage in a rude way. Some localities have made great efforts to solve this problem. But in the whole country, this problem is far from being solved thoroughly. In the field of financial and economic work, the phenomena of imposing unreasonable levies and raising prices in a reckless way can still be found in various departments and units. Some people have even gone as far as committing bribery and extorting "fees for advantages," thus willfully adding burdens to the people and enterprises and seriously obstructing the improvement of the people's livelihood and the normal activities of enterprises and seriously harming the prestige of the party and the government. In the field of judicial work, we have made marked progress in this regard. However, some problems left over from history have yet to be solved. Judicial departments at the local level, to a varying degree, have the problems of being divorced from the masses and even riding roughshod over the masses. They have not done as many good things for protecting the people as they are expected to do, and in some localities, new mishandled cases still occur from time to time. In the field of organizational work, the problem of giving up principles to make way for human feelings and social connections exists widely. Various forms have been adopted by some people to seek honor through fraud and deception. When people from the high authorities are inspecting work in a lower unit, the lower unit will often conceal facts and cook up some false typical cases to deceive the people from above. By enumerating these examples, we do not mean that they represent the mainstream of our work. However, they fully show the seriousness of the poor state of discipline in various fields. Our purpose is to arouse the attention of people in all fields and of the whole party.

A party, a nation, and a country can never exist without firm discipline. The discipline determines what one should do and what one should not do. According to discipline, those who do what they should not do must be criticized or punished. The punishment may be a dismissal from office or a sentence imposed by a law court. Firm actions should be taken against two kinds of evildoers, namely, the economic criminal offenders and other criminal offenders. Two rounds of actions have been taken in recent years to crack down on these people, but the problems have not been thoroughly solved. Once there is an opportunity, some people come out to commit such crimes. In some localities and departments, party organizations do not take action against economic crimes and other criminal cases, some have even harbored the evildoers and covered up their evil deeds. Now there is a major problem. That is, many leading cadres do not concern themselves with the handling of the serious discipline-violating cases. When the higher authorities send people to investigate the cases, they defend themselves by emphasizing some objective reasons or shift the blame onto some young people. They never hold themselves responsible for such problems and never think why our party style and the general conduct of the public cannot be fundamentally improved. In fact, they should give serious thought to these questions. The country is led by the party, and a locality or a department is also under the leadership of the party. When serious problems occur, it is quite natural that leaders should be examined and investigated for their responsibilities in these cases.

We should remember these two sayings: "Those in subordinate positions will follow the example set by their superiors," and "If the upper beam is not straight, the lower ones will go aslant." If the higher authorities appoint people by favoritism, basic-level units will engage in factional activities; if the higher authorities forsake principles, basic-level units will trample on principles; if the higher authorities seek personal privileges, basic-level units will violate law and discipline; and if the higher authorities do not work hard, basic-level units will be lax in discipline. Therefore, if leading cadres do not set a good example for others, they will not have the courage to criticize others. Not long ago, Comrade Qu Xiao made a television speech. It produced a great impact on young people, as his deeds always measure up to his words. It is inspiring for people with ideals to talk about ideals and for people with a strong sense of discipline to talk about discipline. Party committees at all levels should have an explicit understanding of this point, set a good example for others, and "begin with themselves" in everything they do. Rectification of discipline should start from party committees, without allowing any looking for scapegoats. Cadres in some localities say that the general mood of society has turned for the better since the arrest of a number of evildoers. This is talking big!

In the second stage of party rectification, have we not done worse than we did in the first stage of party rectification? Some comrades say that party organizations in some localities have been paralyzed, as members of these organizations are busy "making themselves rich." This merits attention. Party organizations at all levels, including party branches, should focus their attention on fundamental work, that is, they should establish and perfect their normal organizational life. If a party branch fails to do this, it should be reorganized or even dissolved. It will not do to just talk about vocational work to the neglect of political and ideological work! In party rectification over the past 2 years, we have stressed the necessity for straightening out the guiding principles for vocational work. This has important bearings on bringing our work in various fields to the road of socialist modernization. On the other hand, however, quite a number of localities and departments have straightened out the guiding principles for vocational work in isolation from strengthening party spirit. Without strengthening party spirit, it is very difficult to straighten out the guiding principles for vocational work. Party organizations and leading groups are required to frequently review whether they have acted according to party spirit, whether they have violated law and discipline, and whether they have violated the four basic principles. If the party's life is not made perfect, the party's line, principles, and policies will come to nothing, no matter how good they are!

It is imperative to reiterate the tasks of party committees of organs at the central level and of party committees of organs at the provincial, city, and autonomous regional levels. It is far from enough for party committees just to issue film tickets or tickets for ball games. It is true that they should attend to the welfare of the masses, but first of all they should pay attention to ideological work and the matter of right and wrong in the party. They should be bold in discussing and criticizing unhealthy trends. Not paying attention to ideological work and party spirit means overlooking fundamental work.

To sum up, first it is necessary to straighten out party spirit and party discipline. If we do not realize a turn for the better in party style within 2 to 3 years, we will let the people down. Second, it is necessary for party organizations to set a good example for others and to "begin with themselves" in everything they do. Only in this way, can party style and party discipline be straightened out. In straightening out party style and party discipline from top to bottom, it will not do just to wait for instructions from the higher authorities. If you are secretary of a party branch, you represent the "higher authorities" of the party branch; and if you are secretary of a county CPC committee, you represent the "higher authorities" of the county CPC committee. Every Communist Party member should play an exemplary vanguard role and set strict demands on themselves according to the party constitution. With the improvement of party style, it will not be difficult to bring about a change for the better in the general mood of society.

How We Should Improve Our Style

Not long ago, Comrade Deng Xiaoping pointed out that we should speak fewer empty words and do more practical work. The problem with the style of our cadres lies here. Quite a number of organs, and leading organs in particular, are fond of empty talk and polite formulas! They can merely issue general calls! Moreover, "commendation" meetings are too numerous to mention. Some localities are still selling counterfeit medicine, and they are still winning awards! Some commendation meetings and exhibitions are necessary, but many meetings have wasted the wealth of the people. We should not spend our limited energy on unlimited empty talk and polite remarks. Some young comrades were diligent before they were selected for leading positions; but after they were selected for leading positions, they began to engage in putting up facades. If our comrades adopt this attitude toward the four modernizations, the four modernizations will have no prospects!

What should our newspapers, magazines, books, and other publications use to educate young people? This is a serious problem. Party committees at and above the county level and cadres of publication departments should treat this problem seriously. They should check tabloids, magazines, and pamphlets which are detrimental to youth.

In short, if cadres of the party will serve and help the people, they should be practical in their style and should have both courage and insight.

What do we mean by having insight? They should have, first, a correct orientation, second, scientific knowledge, and third, a thorough understanding of the actual situation. What do we mean by having courage? They should persist in whatever is correct, rectify whatever is incorrect, and oppose whatever is against law and discipline. Some comrades in our party do not have the courage to combat the tendency of violating law and discipline and the habit of infringing upon the party's interests. However, they have the courage to seek personal privileges, to engage in evil trends, and to abuse power for personal gain.

Many of our cadres are seriously divorced from the masses. Some good comrades are divorced from the masses because they do not have a good understanding of the situation at the basic level. Therefore, it is necessary to encourage cadres to stay in basic-level units so as to discover and solve problems. Leading cadres at the central, provincial, city, autonomous regional, prefectural, and county levels should go to basic-level units, such as the rural areas, factories, schools, or families, to find out about the situation there. Some comrades said that when they went to basic-level units, the people there were moved to tears. This does not indicate that we have done well enough in our work but that our cadres seldom go to these places. There are over 10,000 cadres in each province and some 300,000 cadres in the 29 provinces, autonomous regions, and municipalities. If we add the 100,000 cadres in organs of the central authorities, there are some 400,000 cadres. If each cadre visits two rural areas or factories each year, 400,000 cadres will visit 800,000 rural areas or factories; and if each cadre has talks with 10 people each year, 400,000 cadres will have talks with 4 million people. Such visits and talks will help us understand and solve many problems. However, many of our cadres have not done so; even if they have done so, their reports are dull and full of remarks such as "basic-level units require special consideration from the central authorities," "it is necessary to exploit mountainous areas according to actual conditions," and "the style of cadres should be rectified." These remarks can be found in documents! We should solve practical problems and help cadres make progress. Cadres with bad records should be replaced with the approval of the masses and the organization. We should do practical work. If we only talk about "principles," principles will become merely polite formulas. Being unwilling to go to basic-level units or to stay among the masses to discover and solve problems is a bad style which harms the people most.

To change a bad style, it is necessary to work out detailed measures apart from issuing general calls. For example, as there are too many cadres in organs of the central authorities, tens of thousands of them can be released from their posts and required to stay in backward areas, backward enterprises, and backward villages for 2 years to help solve problems. These cadres can maintain their residential status and posts and have annual leave. Some high-level organs sometimes issue high-sounding slogans, such as "work hard for the prosperity of the country" and "advance with pioneering spirit." Do they really work hard for the prosperity of the country? Do they vigorously carry out socialist modernization? These are doubtful. We must change the situation in which people like to talk big. Only by going to the masses and establishing ties with them, can we make actual achievements.

Practice since the 3d Plenary Session of the 11th CPC Central Committee has proved that our country is full of promise. If we can correctly analyze the situation, propagate our ideals in a lively manner, straighten out our discipline, and take the lead in correcting our style, will our party and country not have prospects? So long as our cadres have revolutionary courage and insight as well as the spirit of devotion to communism, socialism, the country, and the people, we will certainly have the method to overcome unhealthy tendencies and help the localities which have not done well enough in their work to improve their work, and will certainly be able to make contributions to the party and the people in the new historical period!

STRENGTHEN THE STUDY OF THE HISTORY OF THE ANTI-JAPANESE WAR AND THE WORLD'S ANTIFASCIST WAR

Beijing RED FLAG in Chinese No 18, 16 Sep 85 pp 10-12

[Article by Hu Qiaomu]

[Text] China's war of resistance against Japan and the world war against fascism were great turning points in modern Chinese and world histories. Because of the victory of the world in the war against fascism, not only did the diabolical forces headed by Germany, Italy, and Japan which sought to conquer the whole world perish, it also gave rise to the emergence of many socialist countries and the independence of many enslaved countries, causing the crumbling of the colonial empires that ruled an overwhelming majority of Asian and African countries over the past one or two centuries. Moreover, the Third World composed of newly independent countries, including China, began to play an important part in the political arena of the world. It is true that the dregs of fascism have not yet been completely eradicated; the new socialist countries are still not strong enough; the majority of newly independent countries are still beset with political and economic problems; new and old colonialist and racist forces are still rampant; and imperialism and hegemonism and the danger of a new world war caused by them are still seriously threatening mankind's peace and security; however, the world today is no longer the world of 40 or 50 years ago. The forces of the people, peace, national independence, and social progress have grown significantly, and the tragedy of worldwide aggression like that of half a century ago will never be allowed to happen again.

The antiaggression wars concluded 40 years ago are of especially great significance in Chinese history. Ever since 1840, the Chinese people were time and again victims of aggression launched by capitalist and imperialist powers of the West and the East, and because of various historical reasons, their many heroic antiaggression wars and anti-imperialist revolutionary struggles were fruitless. Not until the revolutionary war against Japanese imperialist aggression--a war which started in northeast China in 1931, spread to other parts of the country in 1937, and ended in August 1945--did they win a major victory for the first time. The war taught the whole nation a profound lesson: As long as the entire nation unites as one to carry out a strenuous struggle without fear of sacrifice and strives to win international support, it can defeat any vicious imperialist power. Because

the Kuomintang authorities insisted on rekindling the civil war, the victory of the war of resistance against Japan directly led to the victory of the liberation war, thus ushering in a new era in which China became an independent, democratic, and socialist nation free of any imperialist domination, or domination by feudalism and bureaucratic capitalism at home. This was by no means accidental. It was an inevitable development which conformed fully with historical and logical laws. Since then, the Chinese people have stood up. Today, under the leadership of the Chinese Communist Party, the Chinese people are striving to achieve socialist modernization--a dream of innumerable martyrs--and build China into a democratic, prosperous, and developed socialist country with a high degree of material and spiritual civilization within the next several decades.

Not only was China's war of resistance against Japan an important part of the world's antifascist war, but it was also one which began the earliest and lasted as long as 14 years. After 1937, because of the second cooperation between the KMT and the CPC and because of the enthusiastic participation of patriotic people of all nationalities throughout the country, China's war of resistance against Japan became a war waged by the entire people. Flames of resistance against Japan were lit everywhere--on the front, in the rear, and before and behind enemy lines--by people of all nationalities in all circles and in all parts of the country, starting from Heilongjiang in the north to the southern islands of Hainan and Hong Kong, as well as by patriots who fled to Southeast Asia, army men and people working on the construction of the Yunnan-Burma highway, patriotic countrymen in Taiwan, Overseas Chinese, and returned Overseas Chinese. It is noteworthy that this just war not only won worldwide support, it also had the cooperation of the governments of the USSR, the United States, Britain, France, and Mongolia. Friends of the USSR, the United States, Korea, Vietnam, Laos, Cambodia, India, Burma, Thailand, Malaysia, Singapore, Indonesia, the Philippines, Britain, Canada, Australia, New Zealand, Austria, and Czechoslovakia, and Japanese and German friends who opposed the aggressive war all supported or participated in the Chinese people's heroic struggle. Many of them even gave up their lives on Chinese soil. Such being the case, the history of China's war of resistance against Japan is also a history of the common struggle of the world's justice-upholding and antiaggression governments and peoples.

Since the war of resistance against Japan has such great historical significance in Chinese and world histories, people of the nation's academic circles, especially those engaged in historical studies, are duty-bound to study this war thoroughly. In this regard, we have already started some projects. In addition to some separate, short editions, the Academy of Military Sciences has also finished the first draft of a rather detailed "History of the War of Resistance Against Japan." The first draft of the book "The Joint Anti-Japanese Forces in Northeast China" has also been completed. The multivolume "The 8th Route Army" and the multivolume "The New 4th Army" are being written. The book "Historical Materials About the Nanjing Massacre Committed by the Japanese Army Which Invaded China" has been published. Many other historical materials about the anti-Japanese war in various areas, many reminiscences written by famous generals of all

parties who participated in the anti-Japanese war, and some foreign works about the war have been published and are being compiled and translated. This is a good beginning worthy of being congratulated. However, we should never be content with these preliminary works. In comparison, other countries have published a great deal more books on similar subjects. While many of these books merit our attention and can be used for our reference, many others are far from being able to correctly reflect the heroic and difficult struggle carried out by the Chinese people, and some are far from being objective and just, probably because of the different viewpoints of authors or because of limited firsthand material available to them. As a matter of fact, Chinese researchers are still the most eligible to write on such historical subjects. This is because China's war of resistance against Japan lasted a long time, covered a broad area, and involved numerous army-men and people and because of numerous other complicated matters that can hardly be covered in just a few books. We should, and certainly can, write dozens, or even hundreds, of books on the subject from some special or overall viewpoint. This is why we have high hopes on the convening of this academic symposium. We hope that because of this meeting, a large number of researchers and writers will throw themselves into this subject in which many issues have yet to be thoroughly explored.

Studying the history of the Chinese people's war of resistance against Japan is very important, not only for the Chinese but for the Japanese people as well as for the peoples of other Asian and Pacific countries and the peoples of all other countries in the world. In the first place, this is because China's war of resistance against Japan was closely related to the entire antifascist war in the world, in particular the war in the Far East and Pacific theater. It was of vital significance to the final victory of the entire antifascist war and had a very important effect on the postwar situation in the world. Second, this is because in recent years some of the aggressors at that time and their sympathizers have tried by hook or by crook to overthrow the stern judgment of the Far East International Military Court and to distort the nature of this war. They have made every effort to gloss over and cover up the crimes of the war and glorify or even worship those war criminals who carried out the policy of "burning all, killing all, and looting all," the bacteriological warfare in China, and the rape of Nanjing and who created the countless mass graves of massacred people as "national heroes" in an effort to make the Japanese youths today and the Japanese people in the future unaware of the truth of this war. Like the Chinese people, the Japanese people were victims of this aggressive war. It is quite a matter of course that after the war, the broad masses of the Japanese people have held it in deep detestation and expressed repentance. They have resolutely put forward the slogan "no more war between Japan and China." Just, farsighted people in various circles have made arduous and precious efforts for a long time to reveal the truth about the war, keep to the peaceful constitution, and bring about Sino-Japanese friendship. All this has constituted the main historical foundation for the restoration of relations and the signing of the friendship treaty between China and Japan. The Chinese and Japanese Governments have seriously announced the four principles for friendship and cooperation. There have been increasing instances of cooperation and contacts in all fields between the two countries.

And on numerous occasions, the youths and other people of the two countries have sincerely expressed their desire to carry on the friendship from generation to generation. However, past experience, if not forgotten, is a guide for the future. It is to put the friendly relations between the two countries on a firm and sincere foundation that the Chinese academic circles should make intensive and objective studies of the war of resistance against Japan with a view to drawing a historical lesson. On the other hand, all false and distorted propaganda can only shake and damage this foundation. For this reason, we hope that not only Chinese historians and writers but also serious historians and writers in Japan and all other related countries will make concerted efforts and use all genuine materials available to them to write great scientific works of long-standing value on this war. This will be an indelible contribution to the science of contemporary history.

Meanwhile, we ardently hope that the Chinese Research Society on the History of World War II and Chinese historians and writers will turn out at an early date their own major historical works on the entire antifascist war in the world and will do their best to introduce to China all valuable foreign scientific works and documents in this regard.

(This article is based on Comrade Hu Qiaomu's speech at the academic symposium in commemoration of the 40th anniversary of China's victory in the war of resistance against Japan and the victory of the world's antifascist war. Before this journal published this article, the author made some revisions and amendments.)

/6091

CSO: 4004/10

THOUGHTS ON TEACHERS' DAY

Beijing RED FLAG in Chinese No 18, 16 Sep 85 pp 12-13

[Article by Zhong Jingwen [6988 2417 2429], Beijing Teachers' University professor]

[Text] The first Teachers' Day of socialist new China has come.

This is a fine festival by which people show respect for human knowledge and by which people show their respect for those who master knowledge and the profession that spreads knowledge and trains personnel. It will vigorously promote the construction of our country's socialist spiritual civilization. It is a date when the people of all nationalities throughout our country, particularly the vast number of intellectuals, sing loudly with happiness.

There are about 1 million teachers in various kinds and levels of schools in our country now. Their common duty is to train their students and enable them to become qualified personnel for the socialist construction of their motherland in the future. These personnel must first have lofty ideals--being determined to devote themselves to the great cause of socialism and communism. Second, they should have knowledge of and competence in their own profession (though there are only buds of such knowledge and competence in primary and middle school students). In addition, they must have the sense of our new morality and knowledge about real life.... It is naturally not easy for a teacher to make his students attain this goal. However, this is a sacred duty! Even if our teachers cannot achieve this goal in an all-round manner, they must always urge themselves by this goal and encourage themselves to attain this goal!

I am now over 80. I have been doing educational work in schools of various kinds and levels for over half a century. I have spent most of my adult life in the educational circles except periods when I went abroad to pursue advanced studies and when I was engaged in the activities of national salvation and resistance against Japan. Even when I fled abroad for political reasons, I continued to be engaged in educational undertakings. Why have I been so firmly attached to this undertaking? Of course, there are objective reasons, but the main reason is my own will. I think that training personnel for the motherland is an important task for our country and also a duty that I as an

individual must undertake! For decades, I have always persisted in doing the job that I chose when I was young, though there have been opportunities to do other jobs. It is natural that I have not scored many achievements in doing this work, but that is another problem.

There are always difficulties in doing any job and sometimes these difficulties may even vex you. For example, when I was teaching Chinese language in middle schools, I was sometimes vexed when I had to correct heaps of students' compositions, particularly those that were not smooth, though I felt entirely relaxed as soon as I finished correcting them. For another example, I could not bear seeing the practices of some of the leaders and colleagues in some of the schools in which I worked, but I was unable to change those practices. As a result, I felt depressed or just complained publicly. Of course, this mainly happened in the old society, but it is still hard to avoid such experiences sometimes in the new society.

Though there are times of troubles in being a teacher, I should say most of the time a teacher is happy or relatively happy. I am always happy when I discover some special ability in my students concerning their writing or work. I am even happier every summer when I see batches of students whom I have taught, graduate from schools and go away to take up their jobs, happier even than when I have finished writing some theses or literature works. Whenever the students who have graduated and are now working in various trades, come to see me, particularly, whenever I hear them say that they have scored some outstanding achievements in certain fields, I feel pleased and deeply realize the social significance and role of the educational work. During the past few years, I have received various forms of awards from the party and the people, but the most inspiring award was the meeting that marked the 60th anniversary of my teaching career. For this has been the aspiration of my whole life and the most important thing on which I have focused my energy.

Two years ago, I went to Guilin again to sign the contract for the state's scientific research projects set by the state's Sixth 5-Year Plan, projects that we were assigned to carry out. In the second year of the war of resistance against Japan, I worked as a teacher in a school there (the Jiangsu Educational Institute that was moved there from Wuxi). The situation of the country and my personal feelings then were worth remembering well. Therefore, in the "Random Poems" that I wrote then, there are the following words: "Who knows the bitterness in the heart of the teacher who frequently crossed the flower bridge amid wind and rain?" (The flower bridge is the bridge that links the eastern and western parts of Guilin city.) There was a special background to the phrase "bitterness in the heart of the teacher," but this aspiration and mood was closely linked with all my thoughts and experience in the past. It was a logical consequence under that special background.

Since October 1976, particularly, since the 3d Plenary Session of the 11th CPC Central Committee, like all other sectors, our cultural and educational sector has begun to recover and then to develop quickly. This is an iron-clad fact and is also a fact worth celebrating. Of course, I do not mean

that there have been no problems in the process of our educational sector's quick development. For example, we have not yet finished the work of solving all the problems left over by the political campaigns in the past; teachers' wages are too low...and so on. I hope that governments at all levels and all circles in our society will show great concern for these problems, and rationally and effectively solve them as soon as possible. For only by so doing can we better promote the development of our educational undertaking.

Here, I should like to mention another problem, the problem related to the mental state of our teachers. Because of various historical and realistic reasons, at present, some teachers in our country are not clear about their goals. They have a weak sense of their solemn ideals, and some of them have even pursued money and reputation heart and soul. They lack enthusiasm for the work--nay, they lack interest in their work! Concerning their viewpoints and methods in doing their jobs, they stand still, refuse to make progress, and are content with the old practice. Obviously, this mental attitude and attitude toward their work is not suited to the requirements and tasks of the four modernizations put forth by the party! Now the CPC Central Committee is leading the key work of party rectification, urban reform, and educational reform. I sincerely hope that my fellow workers will foster definite ideals, eliminate distracting thoughts, and do their utmost to train millions of good students for the motherland. These students must not only have ideals and be educated (and professionally competent), but also be able to become pillars of society. This is what the future of our state relies on and is also our unshirkable historical duty!

I believe that the first Teachers' Day of the new China will undoubtedly become a tremendous force to encourage all the engineers of human souls to forge ahead!

/6091

CSO: 4004/8

THE HISTORICAL RESPONSIBILITY OF MIDDLE-AGED TEACHERS

Beijing RED FLAG in Chinese No 18, 16 Sep 85 pp 14-15

[Article by Lu Longxiang [6424 3941 4382], assistant professor of Zhejiang University]

[Text] This year I am 43 years old. I have now spent 21 years in teaching and scientific research posts. I have thus reached middle age both in regard to my actual age and my teaching career. People of my generation were born in the tortuous months of the anti-Japanese war and, under the 5-star national banner, have received a prolonged period of nurture and care by the party and people. We have been fully aware of the tedious toil of our elderly people in building the foundation and establishing the enterprise and have known fairly well the tortuous road of revolution and construction since the founding of the PRC. We are now personally experiencing, following the "10 years of disturbances" and the restoration of order out of chaos by the 3d Plenary Session of the 11th CPC Central Committee, an era of development in which politics are in good order, people are in a happy and peaceful mood, and the whole party and people are bending their joint efforts on the four modernizations and the tasks of making China prosperous. In this new historical period, we welcome the coming of the spring days of brilliant sunshine in the fields of education and scientific research. As middle-aged teachers, we are shouldering the heavy burden of teaching and scientific research. Both the party and the state have placed high hopes on us. By the year 2000, the targets of the first stage of China's vigorous development will have been realized in our hands. Following the footsteps of the past and opening up a road for the future--this is precisely the historical burden of the middle-aged teachers of our generation.

Looking at the past, we recall countless martyrs of the revolution who had given their lives, shed their warm blood, and offered their everything for the sake of seeking the truth of Marxism-Leninism, overthrowing the three big mountains and realizing the ideals of communism. Similarly, on the technological and educational front, many of our famous teachers, including Li Siguang and Hua Luogeng, who have died, and Qian Xuesen and Wu Zhonghua, who are still living--these world-renowned scholars--at a time when the fatherland urgently needed their services, resolutely left behind their highly comfortable material livelihood and good working conditions abroad, returned to the fatherland, offered their own wisdom and talents to the country and

people, and merged themselves into the socialist construction currents of the fatherland. They are the top-notch elements and the pick of the Chinese race. Our generation must precisely follow their ideals and spirit, take on the tasks of fulfilling the magnificent four modernizations program and be faithful to the people's educational enterprise and scientific research enterprise. Although at present our fatherland is still relatively backward, after over 30 years of strenuous efforts, we have built a fairly strong material foundation. If only we can pay attention to absorbing and digesting the advanced scientific and cultural accomplishments of the various countries of the world, and depend on our own creative work, it will surely be possible for us to create a high degree of socialist material civilization and spiritual civilization. Four years ago, following the completion of my graduate studies in the FRG and because I had made certain accomplishments in scientific research, organizations of the same trade as mine in the United States and the FRG invited me to work in the FRG. They agreed to offer me various kinds of superior terms. But I understood clearly that my job was in the fatherland. Without any hesitation, I returned to the fatherland. Upon my return, thanks to the concern and support from various sides, we established the Zhejiang University Hydraulic Pressure Research Office. I and my comrades together have accomplished 16 big and important scientific and research projects. Over 70 percent of the results have been turned over to the industrial departments for production. Simultaneously, we have contributed nearly 30 articles and dissertations to magazines and scholastic forums both in the country and abroad. The fact that we were able within a short period of time to establish a fairly sizable scientific research and educational base truly manifests the superiority of the socialist system and the unity and cooperative spirit of our comrades in seeking their common ideals and targets. After visiting our research office, an FRG specialist said: "This speed in setting up an office of this scale has seldom been seen in our country." After returning to his country, he contributed an article, "A Vigorously Rising Chinese Hydraulic Pressure Research Office," to a noted specialist magazine. In the article he made a detailed report.

Opening to the outside world and internally invigorating the economy is an important policy to vitalize and vigorously develop China. On the educational front, the guideline is "face modernization, face the world, and face the future." In recent years, through employing various measures such as sending people abroad, inviting specialists from the outside, and exchanging information, we have established relations with several scores of institutions of learning and enterprise units in foreign countries. An international scholastic conference on the topic of hydraulic pressure and control sponsored and organized by us will be held this September in university. Some 180 specialists in the same field from 14 countries of the world will attend the conference and take part in this scholastic exchange. In the liberalization process, to acquire an understanding of the world, to aim at the world level, to climb the ladder of progress and to advance are precisely our targets. More than 2 years ago, we already had as our selected guideline "face the four modernizations in developing the branches of learning," and basically carried out the responsibility system in the division of work in the courses of study. Our aim was to put the guidance role of elderly teachers and the backbone role of middle-aged teachers into full

play and pay close attention to displaying the creative spirit of the young teachers. By so doing, we adjusted the knowledge structure and age structure of the scholastic ladder, initially formed a scholastic ladder with a combination of the elderly, middle-aged, and young, achieved coordination in the courses on machine-building, electricity, and hydraulic pressure, and formed a unified and cooperative teaching and scientific research team. The objectives of our reform are to seek efficiency, unity, and correct guiding ideas in business. Our targets are to obtain results, produce talented people, and turn out good results and better talented people, thus serving the four modernizations. We have taken the relay baton from our forerunners, we must run fast in this stretch, and strive hard to retrieve the time and losses wasted in the "10 years of disturbances."

In building the four modernizations and vigorously developing China, talented people are urgently needed. Nurturing and supporting the growth of the young generation is the responsibility of not only the elderly people but also of our middle-aged people. "Growing a tree takes 10 years, but raising a generation of people takes 100 years." Training up a person for the doctor's degree in university education takes fully 10 years. It will take another 12 to 15 years of work experience and steeling for the person with the doctor's degree to acquire maturity in his profession and become truly a technician of high caliber. If we do not pay attention now to training the young generation, then we are not fulfilling the responsibility of doing our duty of "enlightening posterity" and "paving the way for the future generation." By the time we have grown old, we shall be bothered by the problem of finding successors. In the past 4 years, in addition to increasing the enrollment of new students in our department, we have enrolled 27 research students for the master's degree and 11 research students for the doctor's degree and at the same time have taken in a number of teachers for advanced studies as well as visiting scholars from various parts of the country. To our young people, we should not only be tutors imparting knowledge but also teachers and friends encouraging them to be ambitious and upright people. We should make good use of our own feelings and experiences to help them to understand our ancestors' difficulties in doing pioneering work and the tortuous road they had taken in the realization of ideals. And we should lead them to progress by means of our own examples. Moreover, we should encourage and help them to surpass ourselves in politics and in businesses because only they represent the hope and future of our undertakings.

/6091

CSO: 4004/8

BE EVER LOYAL TO THE PEOPLE'S EDUCATIONAL CAUSE

Beijing RED FLAG in Chinese No 18, 16 Sep 85 pp 15-16

[Article by Xu Yi [1776 2496], special grade teacher of the Middle School No 19 in Shijiazhuang, Hebei]

[Text] Teachers' Day can be regarded as a "festival to respect teachers." Our country's people have had a long tradition of respecting teachers. The party and government attach even greater importance to the role and position of teachers. Being a teacher for over 30 years, I know this fairly well.

In the initial period of the founding of the PRC, every trade was developing vigorously and there were job opportunities everywhere. Through repeated selection, I decided to take up a job in the educational sector. Soon after the grand ceremony of the founding of the PRC, I left Beijing full of revolutionary aspirations and went to a rural area in Hebei to be a primary school teacher there.

At that time, education was backward and life was difficult in our rural areas. In the village I went to, there were very few people who knew how to read. Almost all the parents of my pupils had been illiterate for generations. They were very kind to me and invited me to meals in their houses by turns. They told me about the suffering of being illiterate and said that the CPC had enabled them to stand up and thus enabled them to send their children to schools so that they would no longer worry that their children would be illiterate. They treated me as a man who came from Chairman Mao to help them enjoy emancipation in the field of education. The peasants' love for the party, aspirations for a happy life, thirst for turning their children into talented people, and their love for, and confidence and expectations in me deeply moved and educated me. I thought that I had chosen the right path and that our cities did not lack young men like me, but our rural areas needed me very urgently and regarded me as a treasure. I realized that I just had the need to receive training in our rural areas so as to serve the people better. At that time, life was difficult there. We slept on beds made of dirt, had only rice and salt for food, and had small oil lamps for light at night. I was paid only 110 jin of millet a month. Some of the teachers who went to rural areas to be teachers with me went back to Beijing, wrote to me and tried to persuade me to leave my job, but this did not cause my resolution to waver in conducting educational work

in our rural areas. What I thought was: We should not allow the history of peasants illiterate for generations to continue and we must turn the children of the peasants of the new China into a new generation of educated people.

In the school building, which was formerly a dilapidated temple, I did my work happily with full confidence. Children bent over the desks of sun-dried mud bricks and studied diligently. In the school, I led children in singing, dancing and playing games. When I worked in the fields, big children taught me how to weed with a hoe, to tell grass from a seedling, and to get water from a well. The children in rural areas were fond of studying and working. I was moved by their sincere and honest affection for their teachers and did not have the slightest idea of leaving my students.

Now, those barefoot children whom I called future specialists at that time have all become actual specialists and the backbone of all trades and professions. In the year before last, four guests--a factory director from Xinjiang, a political commissar of a PLA division, a lawyer, and a doctor--came to my home. I did not know how they gathered together from all directions to make special trip to visit me. I could not recognize these people who had been primary school students more than 20 years ago. However, I recalled their names at once after a little thought. That was my happiest day, it seemed to me that I was 10 years younger. Last year, I was transferred from Jingxing where I had been a teacher for more than 20 years, to a post in Shijiazhuang. Hearing about my job transfer, more than 40 students whom I had taught in the 1960's came from various localities to hold a farewell get-together for me and to have a commemorative photograph taken. They also gave me quite a few souvenirs. I was moved to tears. It was the greatest encouragement to me and the most sincere appraisal of my work. I have really enjoyed the happiness of being a teacher. If one is not a teacher, it is difficult for him to know this kind of happiness.

In 1979, I fortunately participated in the national meeting of model workers. The leaders of the party and state personally gave me the golden medal for national model workers. This is the party's and state's loftiest award to, the greatest trust in, and concern for teachers!

"When the state is prosperous, it will certainly highly value teachers and respect master workers." The establishment of Teachers' Day marks the prosperity and development of the socialist educational cause of our country. At the old age of 60, I am willing to conduct mutual encouragement with my comrades. In the educational reforms, we must have self-respect, behave with dignity, and make unrelenting efforts to improve ourselves in order to meet the needs of the new era.

/6091

CSO: 4004/7

ACT AS A TORCH KINDLING THE FLAMES OF IDEALS IN CHILDREN AND YOUTHS

Beijing RED FLAG in Chinese No 18, 16 Sep 85 pp 16-17

[Article by Hua Yaoguo [5478 3613 0948], a teacher at Wadian School in Baoying County, Jiangsu Province, and an instructor at the national superior Young Pioneers]

[Text] The first Chinese Teachers' Festival has arrived. As this is a festival for us teachers, I am all the more excited. I am deeply grateful to the party and state for their concern with the extensive masses of teachers and am deeply obliged to the people for the respect given us.

I am a village teacher and an assistant to the Young Pioneers Corps. In my mind, the work of a teacher and of an assistant to the Young Pioneers is the "most beautiful job under the sun." We impart knowledge to students in distant villages and the countryside, scatter and sow the seeds of spiritual civilization, and kindle the flames of ideals in the pure and innocent minds of the children, leading them into the treasure house of knowledge and guiding them to the gate of the exalted communist enterprise. The country is entrusting tomorrow to our care and we hold the future in our hands.

In 1968 when I graduated from primary middle school and left Nanking for a village in the countryside where I joined the production team, there were a hundred-odd households. The village had to hire and "import" accountants from the outside. If the villagers wanted to send letters, they had to walk several li to find people to write the letters for them. Feudalism and superstition were rife. I was deeply pained by all this. In 1970, I became a teacher at a school run by the local people. I had hopes of transforming the face of the rural village by training the upcoming peasant generation and viewed this as my diligent task.

There were two brothers in my district. They were over 10 years old, but they had never gone to school and had never been given any formal names at school. I found that their father had been an old party member at the time of the land reform and that because of his poor health, lack of labor power, and generally impoverished condition, he had been unable to send his children to school. I thought that since it had been 20 years since liberation, we should no longer allow peasants to go uneducated or to go "blind with their eyes wide open." With this thought in mind, I took these two brothers

into the school, assigned them each a formal name, and allowed them to finish primary school without paying any fees. Subsequently, the elder brother enlisted in the army, joined the party, and after his retirement from military service, became a high-ranking cadre in the countryside. The younger brother was the first primary middle school student on the production team.

Following enforcement of the production responsibility system in the countryside, a small number of family heads, being short-sighted and minding their interests of the moment, have deliberately kept their children at home to make money. On one occasion, after the school year had been going for some time, a fisherman's child still did not show up at school. I braved the cold weather of early spring and walked more than 20 li to the fishing village. This being my first visit to the family, the family head sent me away and promised that he would "send the child to school 2 days later." I waited in vain for a whole week and went again to the fishing village, this time bringing the student back to school. I helped him to make up the lessons he had missed and also to solve his problems regarding room and board. But after attending school for a week, he "disappeared" again. I went to the fishing village for the third time. I sternly told him about the serious situation of his village not having been able to find a single qualified primary middle school student to serve as teacher for the primary school run by the people and made him understand youths' responsibilities in the construction of a new countryside. This time, upon attending school again, he had clear motivation. He studied hard and made quick progress. He joined the Communist Youth League and earned the title of a "three-good student."

A certain peasant's child made good grades, but thought that schooling for peasant children did not have much meaning. He planned to drop out of school after finishing second grade. During the summer vacation, I took him to my home in Nanking, and took him to visit the Yu Fa Tai Martyrs' Tomb and the Mai Yuan new village. We toured various scenic places and historical sites. We visited various universities and institutions of specialized learning. The illustrious deeds of the revolutionary elders, the glorious scenes of the country's landscape, and the historical mission of the younger generation had all helped the picture of a brand-new universe to dawn on the mind of this peasant child. Upon his return to school, he studied hard. A year later, he entered the county middle school. Last year, he was admitted with honor into a certain military college, promising to take up the career of serving the great and gigantic undertaking of modernizing national defense. Among youths with no apparent drive, there is no lack of great ambition in their minds, but it needs people to kindle the flames of the ideals. We shall do precisely this kindling work.

Some of my students have become college students, and some students in specialized middle schools. A large number have become agricultural technicians in the countryside, fishing technicians, silkworm and mulberry tree technicians, kindergarten teachers, and medical workers. In my village, progress has been made not only in production, but the younger generations have raised their cultural level and there has been a deep change in the spiritual appearance of the people. When I see all this progress, I feel

extremely happy about the efforts I have made and am aware of the exalted status of my work. Not long ago, a letter scented with gunpowder came to me by airmail. It was from the Laoshan battlefield. The letter was written by the first captain of the school Young Pioneers Corps after its restoration in 1978 in our school. In great enthusiasm, he wrote to tell me that amidst the roar of guns on the frontline, he had gloriously become a member of the Chinese Communist Party. In 1979, after the war of self-defense and the counterattack on the China-Vietnam border, the Young Pioneers Corps of our school held a report meeting about the brave deeds of the war heroes. He was the one who went up on the platform and presented the red scarf to the war heroes. On that occasion, he led the Young Pioneers in the school in a vow that they would be "forever ready to render meritorious service to the construction and defense of the country." For several years he has carried out his vow. Of his own accord, he asked not to be made a clerk in a government organ, as he was determined to go to the war front. Nine other former students of mine have followed his lead and accompanied him to take part in the bloody battles for the country. In their letter to their mother school, they wrote: "Our teachers' instructions ring forever in our ears. The time has come for us to render meritorious service to the country. We are duty-bound not to turn back but to go relentlessly forward." Thus, the tinders of ideas placed yesterday have finally ignited today and burst into enormous flames.

I shall never forget the occasion during the summer vacation of 1983 when the members of the "national summer camp for activities of happy small squads of youngsters" heard Comrade Chen Yun's instructions: "I further hope that our comrades in the teaching profession will highly regard their work, warmly love their jobs, and constantly improve their teaching level, so as to do justice to the honor accorded to the people's teachers."

In May of this year, the CPC Central Committee convened the national educational work conference and adopted the "Decision of the CPC Central Committee on Reform of the Educational Structure" thus turning a new page in the history of China's education. I am willing to work even more assiduously, to serve as a torch to ignite the flame of ideals in the minds of children. I am fond of the work of a teacher and instructor--the enterprise of igniting the flames of ideals.

/6091

CSO: 4004/7

GREAT VICTORY OF INTEGRATING THE PARTY'S LINE, PRINCIPLES, AND POLICIES WITH
XINJIANG'S REALITY--CELEBRATING THE 30TH ANNIVERSARY OF THE FOUNDING OF THE
XINJIANG UYGUR AUTONOMOUS REGION

Beijing RED FLAG in Chinese No 18, 16 Sep 85 pp 18-24

[Article by Wang Enmao [3769 1869 5399]]

[Text] The Xinjiang Uygur Autonomous Region has passed its 30th glorious year since being founded on 1 October 1955. Over the past 30 years at one point in its historical development, the autonomous region followed a tortuous course due to the interference and sabotage of the "Great Cultural Revolution." However, generally speaking, the past 30 years since the founding of the autonomous region are 30 years in which Xinjiang has achieved great victories in various undertakings. They are also 30 years in which earth-shaking changes have taken place throughout Xinjiang.

Over the past 30 years, the party policy of regional national autonomy has been comprehensively implemented in Xinjiang; and the unity among various nationalities has been consolidated and developed. After its liberation in 1949, Xinjiang carried out local work by establishing and developing local party organizations and training a large number of cadres of minority nationalities. It also completed democratic reform. Starting from October 1953, in accordance with the party policy of regional national autonomy, efforts were exerted from bottom to top to establish various national autonomous organs. Six national autonomous counties and 5 national autonomous prefectures were successively established. On this basis, the Xinjiang Uygur Autonomous Region was founded. People of various nationalities in Xinjiang, those of minority nationalities in particular, have fully exercised their right of regional national autonomy in the big family of the motherland. The full implementation of the policy of regional national autonomy has greatly aroused the enthusiasm of various nationalities, the people of minority nationalities in particular, for being the master of their own affairs, and administering the major affairs of the state.

Over the past 30 years, the autonomous region has achieved great results in carrying out large-scale economic construction. According to figures issued in 1984:

The total accumulated investment in capital construction reached 22.219 billion yuan, and the new accumulated investment in fixed assets reached 15.152 billion yuan.

Total social output reached 13.516 billion yuan, 6 times the levels of 1955. The industrial and agricultural total output value reached 10.538 billion yuan, 6.36 times and 13.65 times as much as the levels of 1955 and 1949 respectively.

Industrial total output value reached 5.987 billion yuan, 14.56 times and 64.82 times as much as the levels of 1955 and 1949 respectively.

Agricultural total output value reached 4.55 billion yuan, an increase of 335 percent and 624 percent over 1955 and 1949 respectively.

Total grain output reached 9.901 billion jin, 2.37 times and 4.84 times as much as the levels of 1955 and 1949 respectively. Per capita grain output ranked 14th in the whole country.

Total cotton output reached 384,620,000 dan, 6.65 times and 36.93 times greater than the levels of 1955 and 1949 respectively. Per capita cotton output ranked third in the whole country.

By the end of the year, the number of livestock reached 3,025,580,000, 0.84 times and 1.91 times as much as the levels of 1955 and 1949 respectively.

Total import and export volumes in foreign trade reached \$2,368,740,000, an increase of 370 percent over 1955.

Financial revenue reached 722 million yuan, 3.17 times and 31.8 times as much as the levels of 1955 and 1950 respectively.

Now the autonomous region has more than 4,000 industrial enterprises which produce about 2,000 kinds of products. A comparatively complete industrial system has been established, which has covered such fields as iron, steel, coal, oil, electric power, machinery, chemistry, building materials, textiles, sugar refining, paper making, leather, food and others.

The progress of economic development, education, science, technology, culture, public health and sports have also vigorously expanded in the autonomous region. In 1984, there were 13 universities and colleges, 2,325 secondary schools of all kinds, and 8,253 primary schools in the whole region, with the number of students totaling 2.956 million. In 1984, the number of public health organs increased by 765 percent over 1955. The number of hospital beds, health workers and technicians increased by 947 percent and 949 percent respectively. Scientific and technical undertakings grew out of nothing. The number of natural scientific and technical workers has reached 161,000. In 1984, the number of various kinds of scientific research institutes (offices) reached 162 with more than 6,000 scientific research workers employed.

On the basis of the development of production, the livelihood of the people of various nationalities has been markedly improved. In 1984, the total retail sales volume of social commodities throughout the region reached 5.12 billion yuan, an increase of 710 percent over 1955. The per capita income of farmers and herdsmen was 363 yuan, an increase of more than 100 percent over 1978. In 1984, the average annual wage of workers and staff members was more than 1,100 yuan. The total of savings in the urban and rural areas was as high as 2,810,170,000 yuan. Savings in 1984 were 39.5 times as much as the levels of 1955. In addition, living conditions and public facilities have also been further improved.

Over the past 30 years since the establishment of the Xinjiang Uygur Autonomous Region, Xinjiang has scored brilliant success. This has been due to the profound concern and great support shown by the CPC Central Committee and the state, and great help rendered by the PLA and various fraternal provinces, cities, and autonomous regions. This should, of course, be attributed to the hard struggle of the people of various nationalities in Xinjiang who unite as one under the leadership of the CPC.

Over the past 30 years, the number of various nationalities in Xinjiang have accumulated numerous valuable experiences. The most important and fundamental experiences are: We should stick to the principle of integrating theories with practice, proceed from reality, and combine the universal truth of Marxism and the party's line, guiding principles, and policies with the reality in Xinjiang. As far as the whole country is concerned, we should integrate the universal truth of Marxism with the specific reality in China, follow our own path and build socialism with Chinese characteristics. As far as Xinjiang is concerned, while implementing the line, guiding principles and policies of the central authorities, we should conscientiously study the general characteristics of Xinjiang and other regions in the country. What is more important is that we should conscientiously study Xinjiang's particular conditions, and carry out socialist construction in the region in accordance with its specific conditions and characteristics. This is the basic experience for obtaining the great victories in various socialist undertakings of Xinjiang over the past 30 years.

We Should Uphold and Strengthen the Unity of the People of Various Nationalities in Xinjiang

Xinjiang is a region of minority nationalities, and also a region where many nationalities live in compact communities. There are more than 40 nationalities in Xinjiang, including Uygur, Han, Kazakh, Hui, Mongolian, Khalkhas, Sibo, Tahir, Russian, Tartar, and so on. Minority nationalities account for 59.7 percent of the total population of the whole region. This is an important characteristic of Xinjiang. The experience of the past 30 years, and especially the experience of recent years, has repeatedly proved that in Xinjiang, only by correctly implementing the party policy for nationalities, and doing well in promoting unity among nationalities can we maintain a political situation characterized by sustained stability, and ensure the smooth progress of construction and various types of work. National unity is where the fundamental interests of the people of various nationalities in

Xinjiang lie. Upholding national unity means upholding the common, fundamental interests of the people of various nationalities. Undermining national unity means undermining the common, fundamental interests of the people of various nationalities.

In 1949, the PLA marched into Xinjiang so that people of various nationalities in the region were emancipated. The subsequent democratic reform and socialist transformation eliminated class exploitation and oppression, and national exploitation and oppression as well. This ensured political equality among various nationalities. In the meantime, we carried out a large-scale socialist construction, and vigorously developed Xinjiang's economic and cultural undertakings to constantly improve the livelihood of the people of various nationalities. In particular, the realization of regional national autonomy has ensured that people of various minority nationalities exercise their rights as masters of their own affairs. This has really improved the relations between various nationalities so that national unity in the autonomous region has a solid basis. Over the past 30 years, the problem of nationalities was affected by "leftist" mistakes. In particular, during the "Great Cultural Revolution," it was sabotaged by the two counterrevolutionary cliques of Lin Biao and Jiang Qing. However, due to the fact that national unity in Xinjiang has a solid basis, it can withstand severe trials. In recent years, in accordance with instructions issued by the CPC Central Committee and central leading comrades for the work of Xinjiang, we have conscientiously summed up both positive and negative experience for the national work over the past 30 years, firmly implemented the party policy for nationalities and strengthened the work for national unity. A new situation has been created for the work of nationalities in the autonomous region. The situation in national unity has never been as favorable as it is now. Our main experiences in this regard are:

1. We should persist in using the Marxist theories on nationalities to educate cadres and masses of various nationalities so that they firmly establish the Marxist concept on nationalities. The Marxist concept on nationalities is our guiding thought for observing and handling the problems of nationalities, and our theoretical basis for working out the party's policy for nationalities. On the one hand, we have unswervingly organized party members, cadres, workers and staff members of various nationalities, leading cadres at all levels in particular, to systematically study the Marxist theories on nationalities so that they can master the basic Marxist viewpoints on the problems of nationalities, and correctly establish the Marxist concept on nationalities. On the other hand, we have regarded the theory on nationalities as an obligatory course for various kinds of schools in Xinjiang so that young people of various nationalities can systematically master the basic Marxist viewpoints on the problems of nationalities. Through study, cadres and masses of various nationalities can fully understand that during the socialist period the problem of nationalities is a long-standing and complicated problem, and that the socialist stage does not mean the elimination of nationalities. The socialist stage is a period marking the common development and prosperity of various nationalities. In so doing, they enhance their consciousness of implementing the party policy for nationalities. We should persist in opposing the bourgeois nationalism,

big-nationality chauvinism, and Han chauvinism in particular. In the meantime, we should also oppose local nationalism. Generally speaking, big-nationality chauvinism and local nationalism are contradictions among the people. This problem should be solved by the method of education, persuasion and criticism and self-criticism. We should thoroughly eliminate the "leftist" ideological influence on the problem of nationalities.

2. We should profoundly and protractedly provide education in the party's policy for nationalities and strengthening national unity. "The Han nationality cannot be separated from minority nationalities, and vice versa." This is the law of historical development in our country, and also a scientific summation of the experience of establishing and developing new relations among nationalities since the founding of the People's Republic. In recent years, we have persisted in taking the education on policy for nationalities and national unity as a main item of study for various regions and departments so that all people will try to foster the idea of promoting national unity, know the policy for nationalities, talk about national unity, do something good for national unity, and sum up and investigate the work every year in order to commend good people and good deeds. Through this education, the idea that the "Han nationality cannot be separated from minority nationalities, and vice versa" strikes root in the hearts of the people--the youths of various nationalities in particular.

3. We should correctly handle various problems occurring among nationalities. With regard to relations among nationalities, our party and government organs should persist in doing painstaking work to avoid, or minimize the occurrence of problems. Once problems have occurred, we should handle them correctly. With regard to disputes among nationalities, we should make a specific analysis of specific problems. We should on no account regard all problems as problems of nationalities. We must have firm faith in and rely on cadres of various nationalities, and the majority of the masses. We should strictly distinguish between the two different types of contradictions, and adopt a correct stand, guiding principles, and methods to solve them promptly and properly. We should demand that cadres of various nationalities do more work for the masses of their own nationalities in order to promote national unity. The practice of the past 30 years has proved that the majority of cadres and masses of various nationalities love the party, the motherland, and socialism, and that there are only a few bad people who undermine national unity. We should on no account doubt this basic estimation.

4. Party organizations at all levels should attach importance to grasping work aimed at promoting national unity. Leaders at all levels should take the lead in promoting national unity. The unity of leading bodies is the key to strengthening national unity. All party members, the party leading cadres in particular should, regardless of their nationality affiliation, become loyal representatives of the interests of the people of various nationalities, and serve the people wholeheartedly. Leading cadres of various nationalities should consciously uphold party spirit, take the situation as a whole into consideration, and mutually trust, respect, and support each other. They should also learn from each other and promote

mutual understanding. Leading cadres of various nationalities should consciously become models in promoting national unity. Experience of the past 30 years has proved that in units where the leading bodies can do well in promoting their staunch unity, they can also do well the work of promoting national unity and other work. Doing the work for promoting national unity well should be regarded as an important criterion for testing whether a region, a department, or a cadre has done work well.

We Should Concentrate Our Efforts on Vigorously Carrying Out Economic Construction in Light of Xinjiang's Natural and Social Conditions

In Xinjiang, national unity is a prerequisite for ensuring a smooth progress in economic construction. Economic development is a basis for promoting national unity. Only by continuously strengthening national unity can we ensure the smooth progress of economic construction and other work. Only by promoting economic development can we further consolidate and promote national unity and change the backward conditions of the areas inhabited by minority nationalities so that various minority nationalities will rank among other advanced nationalities. Like other regions throughout the country, the positive and negative experiences and lessons drawn from our autonomous regions over the past 30 years have enabled us to profoundly understand that we should proceed from Xinjiang's practical conditions to carry out our socialist economic construction. We should respect objective economic law and natural law, integrate the party's line, guiding principles, and policies with the practical reality in Xinjiang, and do our work in a creative way.

1. We should unswervingly carry out water conservancy projects. Xinjiang is a dry region with insufficient rainfall. Properly promoting water conservancy projects is a matter of particular significance for the economic development of the region as a whole. Just as Premier Zhao Ziyang pointed out: "To what extent Xinjiang will be developed and how much wealth it will create is determined by the first decisive factor--water conservancy projects." Therefore, it is appropriate to say that in Xinjiang without the progress of water conservancy projects, it is impossible to develop the agriculture, animal husbandry, and forestry of the region. It is also impossible to develop industry and other undertakings. Over the past 30 years or so, while working out economic plans, the autonomous region has persisted in assigning an important position to water conservancy projects. Various areas and departments have also attached importance to water conservancy projects. Thanks to protracted and strenuous efforts exerted by the broad masses of people of various nationalities, the PLA officers and men stationed in Xinjiang and the broad masses of troops of the production and construction corps, who are responsible for agricultural land reclamation, Xinjiang has made tremendous achievements in its water conservancy projects. To date, in the whole region, 487 reservoirs have been completed, 230,000 kilometers of main canals have been built, and 30,000 mechanically pumped wells have been drilled. In addition, 46.8 billion cubic meters of water has been utilized. It is precisely because we have carried out large-scale water conservancy projects that we have turned a great number of dry and desolate shoals into oases. We have also continuously expanded the area of cultivated land and grassland. All this has not only ensured faster progress in agricultural

and animal husbandry production and other undertakings, but also laid a good foundation for further readjusting and vigorously developing our regional economy as a whole.

2. We have developed communications and transportation quite a lot. Xinjiang covers vast areas with long communication lines. Before liberation, communications in the region were very backward. There was no railway and there were only about 2,200 kilometers of highway. The surface of the highway was covered with sand and stones. Air transport was limited. All this severely affected economic development in our region. If we say that water conservancy projects are the "lifeline" for Xinjiang's economic development, it is appropriate to say that communications and transportation are the "arteries" for our economic development. Therefore, over the past 30 years, while making policy decisions and formulating guiding principles for economic development, we have paid great attention to both water conservancy projects, and communications and transportation. At present, there are 1,470 kilometers of railway for commercial purposes in the whole region. The railway network in the southern part of Xinjiang with Urumqi as its center has been extended to Korla city. The railway in the northern part of Xinjiang linking with the northern sector of Wusu is under construction. In 1984, there were 22,213 kilometers of highway open to traffic throughout the region, and the main highway has all been sealed. There are 11 civil airports in the region, and the aviation mileage inside and outside the region totals 11,500 kilometers with an annual carrying capacity of more than 100,000 passengers. Most of the areas, prefectures, and cities in the region are linked by air transport. In addition, there are already air services between Urumqi and some cities such as Beijing, Shanghai, Guangzhou, Xian, Lanzhou, and others. Postal and communications service is available in the urban and rural areas of the region. The constantly developing communications and transportation are playing an important role in changing the rigid and backward economic situation, accelerating material exchanges inside and outside the region, and promoting the four modernizations program.

3. Agriculture is the economic foundation of the autonomous region. Experience of the past 30 years has impressed on us that once agriculture has developed and the basic livelihood of the people of various nationalities guaranteed, national unity, social stability, and economic development can be promoted. Otherwise, something will go wrong with our national unity, social stability, and economic development. In 1949, there was only 1,303,460,000 mu of cultivated land in Xinjiang with a total grain output of 1.696 billion jin. The laboring people did not have enough food to eat. Before the "Great Cultural Revolution," the autonomous region CPC committee persisted in making vigorous development of industrial production our prime concern so that agriculture could develop fairly rapidly. In 1966, the total grain output of the whole region was 6.647 billion jin, and per capita grain output was about 800 jin. We were more than self-sufficient in grain. We supported several provinces and regions in the interior with our grain. However, during the 10 years of internal disorder, our grain output decreased year by year, and, instead of being self-sufficient in grain, we lived on grain transported by the state in consecutive years. This adversely affected national

unity, social stability, and economic development. Since the 3d Plenary Session of the 11th CPC Central Committee, the autonomous region has resolutely implemented various policies formulated by the party for the rural area, and has never relaxed grain production. We have actively implemented the guiding principle of promoting diversified economy, and continued to firmly grasp capital construction of farm land and water conservancy. This ensured stable growth of agricultural production in successive years. In 1984, the total regional grain output reached 99.0146 billion jin with per capita grain output reaching 800 to 900 jin. We have been more than self-sufficient in grain, cotton, edible oil and sugar. At present, various nationalities unite as one, our society is stable, and our economy is developing. The present period is the best in the history of the autonomous region. Before the launching of the "Great Cultural Revolution," and after the convening of the 3d Plenary Session of the 11th CPC Central Committee, we have grasped agriculture, animal husbandry, and forestry, and integrated them efficiently. We have developed not only agriculture, but also animal husbandry and forestry. In the future, while grasping grain production, we should further assign an important position to animal husbandry and the production of melons and fruit. In so doing, animal husbandry, the production of melons and fruit, and the production of field crops such as grain, edible oil, cotton and so on will become the three main pillars of our rural economy.

4. On the basis of developing agriculture, we should give full play to Xinjiang's superiority in natural resources and vigorously develop our industry. Xinjiang is far from the interior. It is necessary for us to establish an independent regional economic system. As far as industrial construction is concerned, we should firmly grasp the power, oil and oil refining, building material, machinery, light industrial and textile, and food and other industries in order to lay a modern industrial foundation for our autonomous region, and greatly increase the autonomous region's degree of self-sufficiency in industrial products. Apart from being self-sufficient, we can export a considerable amount of industrial goods to support the development of agricultural and animal husbandry production, accumulate funds, and expand the work force. All this has created conditions for developing and constructing a new Xinjiang.

5. We should expand our production capacity every year to ensure faster economic growth. To get rid of poverty and backwardness as early as possible, and keep pace with the progress of the countrywide four modernizations program, the minority nationalities' regions should maintain a faster economic growth. In recent years, the growth rate of our industrial and agricultural total output value has been higher than the average of the whole country. This has narrowed, to some extent, the gap between us and the rest of the country. Comrade Hu Yaobang stressed that of the 5 autonomous regions of minority nationalities throughout the country, after great efforts exerted over 7 to 8 years, at least 1 or 2 of them would reach the upper medium level of the whole country in terms of economic development. While inspecting Xinjiang, Comrade Hu Yaobang and Comrade Zhao Ziyang pointed out again that we should actively develop Xinjiang and build it into an important base for our country's economic construction in the 21st century. To satisfy the

demand set by the CPC Central Committee, our autonomous region has put forward a goal of struggle of increasing the annual total industrial and agricultural output value by 500 percent by the end of this century in order to attain the upper medium level of the whole country. In this connection, we should persist in carrying out some new capital construction projects, completing a number of technical reform items, and enhancing production capability every year.

6. We should persist in implementing the policy of reform and opening to the outside world. Since the convening of the 3d Plenary Session of the 11th CPC Central Committee, and in recent years in particular, we have been conscientiously implementing the guiding principle of the central authorities of "readjusting, restructuring, consolidating and improving" and the "Decision of the CPC Central Committee on Reform of the Economic Structure" to streamline administrative organs, delegate power, enliven the economy and further develop economic and technical cooperation with other units at home and with foreign countries. With regard to opening up to foreign countries, apart from opening up relations with eastern countries such as Japan and others, our region also intends to open up relations with the East Asian and East European countries. In particular, we should strengthen our relations with Muslim countries such as Pakistan, Iran, Turkey and so forth. We have proposed diversified and multichannel methods of cooperation. We allow foreign businessmen to come to Xinjiang to run joint ventures with us, or run enterprises by themselves. With regard to opening up to other parts of our country, in recent years our autonomous region has established economic and technical cooperative relations with 26 provinces, municipalities, and autonomous regions throughout the country. The method of cooperation has been developed from the previous cooperation in materials alone into an all-round cooperation linking funds, facilities, technology and talented personnel. All this has played an important role in improving the quality of enterprises in our autonomous region, enhancing our economic results, and speeding up economic development.

We Should Train and Bring Up Many Cadres and Various Kinds of Experts of Minority Nationalities Origin

In Xinjiang, without many cadres and various kinds of experts of minority nationalities origin who love the socialist cause, it is impossible to completely solve the problem of nationalities and ensure the rapid development of its various undertakings. Since the establishment of the autonomous region, in accordance with the country's educational policy and our specific conditions, we have trained a number of cadres and various kinds of experts of minority nationalities origin through the universities, party schools, teachers schools for minority nationalities, technical secondary schools for minority nationalities, and vocational secondary schools for minority nationalities in the region. We have also entrusted various universities and colleges outside with the task. They are playing a great role on all fronts and in various undertakings of the autonomous region. In 1984, there were more than 192,000 cadres of minority nationalities origin in the whole region, accounting for 44.4 percent of the total number of cadres. There were 115,000 technical experts of minority nationalities origin, more

than 500 times the level of 1955. With regard to cadres of minority nationalities origin, not only do we train them in schools, but we also attach importance to constantly enhancing their political and cultural quality in practice. In using cadres, we proceed from the practical reality and specific conditions of the cadres of minority nationalities origin to actively create conditions so that many outstanding talented people of minority nationalities origin, who are full of vigor, can be promoted to leading posts in all trades and services.

We attach importance not only to training cadres and various kinds of experts of minority nationalities origin, but also to arousing their enthusiasm for opening up and building Xinjiang. After the liberation of Xinjiang, a great number of cadres and experts of the Han nationality, who cherished the aspirations of taking part in the construction in the border area, safeguarding the border area, helping minority nationalities develop their economy and culture, and realizing the common prosperity of various nationalities, worked with people of various nationalities in Xinjiang. They shared the comforts and hardships of the local people, and made great contributions to the development of various undertakings in Xinjiang. Without cadres and various kinds of experts of the Han nationality, it is impossible to greatly develop various undertakings in Xinjiang.

Now that we have entered the new historical period, the problem of talented personnel is even more the key to Xinjiang's scientific and technical progress, economic development, and social prosperity. In recent years, we have adopted a series of measures in this respect. On the one hand, we have implemented policy for intellectuals to improve their study, living, and working conditions. On the other hand, we have attracted various kinds of experts and university graduates to Xinjiang to take part in the socialist construction. Since last year, we have changed the situation whereby intellectuals flow into the interior alone. An encouraging situation exists where the number of intellectuals coming to work in Xinjiang exceeds the number of those who are leaving the region. In future, we must promote as common practice in the society respecting knowledge and talented personnel, and continue to make efforts to train and bring up more cadres and various kinds of experts of minority nationalities origin. In the meantime, we welcome various kinds of experts and university graduates in the interior to Xinjiang to support construction in the border area.

We Should Give Play to the Important Role of the Production and Construction Corps

The establishment of the Xinjiang production and construction corps was a pioneering undertaking of our party. It was also an important strategic decision for the construction in Xinjiang. Xinjiang is located on the northwestern border of the motherland. It is the western gate of the motherland. Its strategic position is very important. At the same time, Xinjiang has a vast territory, and is rich in natural resources. The production and construction corps in Xinjiang has been shouldering a glorious task of opening up wasteland and safeguarding the border area. This is necessary in order to carry out construction in Xinjiang and safeguard the border area.

The production and construction corps is a new socialist joint organization, which closely links workers, peasants, traders, students and soldiers, and comprehensively develops agriculture, forestry, animal husbandry, sideline-occupation and fishery. The predecessors of the production and construction corps were the main parts of the PLA 1st Army, the entire 22d Army, and the larger parts of the 5th Army (the former Xinjiang national army). They were heroic units. After the units were transferred to civilian work and changed into the production and construction corps, the broad masses of cadres and workers carried forward the spirit of Nanniwan to struggle hard, and overcome various kinds of difficulties. In the deserts and wasteland located in the northern and western parts of Tian Shan, they built water conservancy projects, reclaimed waste land, and planted trees. They developed not only agriculture, forestry and animal husbandry, but also industry, commerce, communications, transportation, building projects and cultural, educational and scientific undertakings. Over the past 30 years, the corps has opened up a total of 18.14 million mu of waste land, completed more than 100 irrigation projects, dug 54,000 kilometers of irrigation ditches, and built 83 reservoirs with a total storage capacity of 2.5 billion cubic meters. In 1984, the corps had 160 agricultural and livestock farms, and 729 industrial and communication enterprises, employing nearly 1 million workers. Its total industrial and agricultural output value was 2.598 billion yuan, accounting for more than one-fourth of the total industrial and agricultural total output value of the autonomous region. Its total grain output and cotton output accounted for 23.16 percent and 47 percent of the total grain output and total cotton output of the autonomous region respectively. Some of the products are consumed by the corps itself. In recent years, the corps has provided the state with nearly 500 million jin of commodity grain, more than 800,000 dan of cotton, 50 million jin of oil crops and more than 10 million jin of meat and eggs. At present, the production and construction corps has become a powerful force engaged in the autonomous region's socialist modernization program. It has become a powerful force involved in the defense and consolidation of the border area of the motherland. It has also become a powerful force engaged in the grand undertaking of opening up and promoting construction in Xinjiang.

Over the past 30 years, various party organizations and government departments in the autonomous region have always regarded the development of the corps' construction projects as an important part of the socialist construction in the autonomous region. They have greatly supported the corps in terms of land, irrigation, grassland, mines, machinery, equipment, technology and so on. They have created many favorable conditions for the development of the corps. In future, the corps will remain an important force in the grand construction projects of the autonomous region. It will play an increasingly important role in the socialist modernization project of Xinjiang.

To turn an economically and culturally backward Xinjiang into an economically prosperous and culturally developed Xinjiang so that it becomes a prosperous and happy paradise of the people of various nationalities, we should rely on the spirit of self-reliance and hard struggle of the people of various nationalities in Xinjiang. The correct leadership of the CPC and smooth

progress of our country's socialist modernization program is a basic guarantee for attaining that goal. During the new historical period, the CPC Central Committee has made a strategic decision for the construction in Xinjiang. In accordance with the goal of struggle put forward by the 12th CPC National Congress, the regional CPC committee has worked out the plan of increasing annual total industrial and agricultural output value by 500 percent, and attaining the upper medium level of the whole country in terms of economic development by the end of this century so that Xinjiang will become a most important base of the economic construction in our country. The new situation and new tasks demand that we further strengthen and improve party leadership and truly correct our work style so that our leading thought and work style will conform with the new situation and the new task.

The state has always shown concern and greatly supported economic construction and other construction projects in Xinjiang. From 1950 to 1984, the central financial ministry gave Xinjiang subsidy of a total of 14.136 billion yuan, and invested a total of 14.77 billion yuan in Xinjiang's capital construction. Apart from support in financial resources, the state has also supported Xinjiang in manpower, material, and in other ways. Various fraternal provinces, municipalities, and autonomous regions have sent a large number of their outstanding sons and daughters to Xinjiang, and assisted the region in terms of material, technology, equipment, science, culture, and so forth. All this has greatly promoted the development of various undertakings in Xinjiang and its social progress. On the occasion of the 30th anniversary of the founding of the Xinjiang Uygur Autonomous Region, the people of various nationalities in Xinjiang feel the warmth of the great family of the motherland under the leadership of the CPC. They sincerely thank the state, fraternal provinces, municipalities and autonomous regions for their help and support for Xinjiang over the past 30 years. In the future, to carry out a large-scale construction in Xinjiang and turn the region into the most important base of our country's economic construction in the 21st century, apart from continuing to rely on the self-reliance and hard struggle of the people of various nationalities in Xinjiang, we also need the great support given to us by the state, and fraternal provinces, municipalities and autonomous regions.

Over the past 30 years, we have won a great victory because we have adhered to the principle of integrating theories with practice, and combining the party's line, guiding principles, and policies with specific reality in Xinjiang. In the future, we will be facing a more arduous and greater task. We must strengthen our study, and be bold in our practice. In practice, we will know more about the new situation, and sum up new experience. We should persist in integrating in a better way the universal truth of Marxism and the party's line, guiding principles, and policies with the practical reality in Xinjiang so that the region will continuously win new and brilliant victories in its socialist modernization program!

/6091

CSO: 4004/7

PEACE, DETENTE, AND DISARMAMENT ACCORD WITH THE WILL OF THE PEOPLE THROUGHOUT THE WORLD

Beijing RED FLAG in Chinese No 18, 16 Sep 85 pp 25-27

[Article by Ye Ruan]

[Text] Forty years have passed since the end of World War II. The prime factor that has maintained a mainly peaceful situation in the world for 40 years in the postwar period is the will of the people. The desire of people throughout the world and their opposition to war, is an irresistible historical trend as well as a major strength and prime factor that can check war.

Where Does the Threat to Peace Come From?

The present international situation remains tense and turbulent and the danger of a world war still remains. This has resulted from the overall arms race in which the two superpowers are locked for global rivalry. In March this year, the Soviet Union and the United States resumed the Geneva disarmament talks, which had been suspended for a year, but the talks have made no headway so far. On the one hand, both sides repeatedly have made charges against each other; and on the other hand, they have never ceased their efforts to carry out their expansionist military activities while holding talks on disarmament. Both the Soviet Union and the United States possess extremely huge nuclear and conventional arsenals and the size of these arsenals has gone far beyond the needs of protecting their security.

The two superpowers are devoting major efforts to developing and improving modern conventional weapons and different types of strategic and tactical nuclear weapons, and they are also developing chemical and biological weapons as well as other weapons of mass destruction. More disturbing is that, in recent years, they have entered into a contest to develop space weapons at top speed. As a result, their rivalry for military superiority has developed from land, sea, and air to outer space. The military expenditures of the two superpowers constitute 75 percent of the world's total and their conventional and nuclear arsenals account for 80 percent and more than 95 percent of the world's total, respectively. Both sides have an "over-kill capability" for destroying their counterpart. According to the actual situation in world armaments, those who are capable of unleashing a world war are none other than the two superpowers. The Soviet Union and the United States have

dispersed troops to many places of the world and both have their military alliances and networks of military bases. For this reason, if a large-scale war breaks out, the battlefield will by no means be confined to the boundaries of their countries. Either their allies or many small and medium-size countries will all be involved in the war.

At present, the two superpowers are competing in the deployment of new intermediate-range missiles in Europe, thus, their military confrontation in Europe is much sharper. Their military deployment in the Asian-Pacific region continues unabated. The Soviet Union has deployed 100 "Backfire" bombers and 153 SS-20 missiles in the Far East and its Pacific Fleet, which is equipped with two aircraft carriers, has become its largest oceangoing fleet. Furthermore, the Soviet Union has been given the authority by Vietnam to use the naval and air bases in Can Ranh Bay and Da Nang.

Meanwhile, the U.S. naval, land, and air forces in the Pacific are being modernized and strengthened. In particular, the United States has reinforced its air forces stationed in Japan with up-to-date F-16 fighters and its 7th Fleet has been equipped with "Tomahawk" cruise missiles. The situation in the hot spots in the Middle East, Central America, southwest Asia, and southern Africa remains tense and turbulent. There are of course internal factors contributing to this situation, but the major factor is the rivalry between the two superpowers in these regions. Of course, the Soviet Union and the United States try their best to avoid direct conflicts between themselves in these regions, and these regional conflicts now may not develop into a world war, but they still constitute a grave threat to peace and stability in the world.

People of the World Desire Peace and Seek Development

The escalation of the arms race by the two superpowers and the aggravation of the international situation run absolutely counter to current world trends and the will of the people. The people everywhere in the world, including the Soviet and American people, all are opposed to war and are eager for peace and development. This is the real "deterrent power" to check a new world war. Wars have brought very grave calamity to the people of various countries. World War II brought the loss of about 50 million lives and resulted in innumerable injured, disabled, and homeless. There has not been a new world war in the 40-year postwar period, but regional wars have not ceased. It has been estimated that there have been 160 large and small military conflicts or wars in this period and more than 20 million people have died in the flames of war. Since the 1960's, the killing power of weapons has greatly increased due to the rapid development of military science and technology. Apart from nuclear war, even a new worldwide conventional war would devastate the world more seriously than any world war in the past. If a nuclear war breaks out between the Soviet Union and the United States, it will unavoidably bring disastrous consequences to both of them and many other countries as well. Mankind is now facing a new threat--the Soviet-U.S. space arms race. The international community shares the view that now it is particularly urgent to prevent a nuclear war and check the space arms race.

The arms race consumes a vast amount of human, material, and financial resources, thus severely affecting the development of the world's economy. In the past 10 years, the world's military expenditures increased from \$280 billion to over \$800 billion; this rate of increase was higher than the rate of economic growth in many countries. All over the world there are 500 million people who engage in military services; of them, there are several hundreds of thousands of outstanding scientists and skilled technical personnel. A huge amount of natural resources is used to produce weapons and other military equipment, which conversely, destroys much more of the wealth of mankind in wars. U.S. military expenditures now reach about \$300 billion a year. This means that the average military expenditures that would be borne by each American in a year exceeds \$1,000. The U.S. Government policy of increasing military expenditures by a big margin and sharply cutting expenses for public welfare has aroused ever-growing dissatisfaction among the American people. According to an estimate, in recent years the Soviet Union has increased expenditures for its national defense by 4 to 5 percent every year.

The Soviet Government has declared that Soviet military expenditures this year rose by 11.8 percent over last year. This was the highest rate of increase in recent years. In recent years the growth rate of the Soviet economy has obviously been reduced. No doubt this is mainly due to the escalation of its arms race with the United States.

In order to seek a favorable position in their rivalry for global hegemony, the two superpowers compete in dumping their weapons on other countries for huge profits. Over the years, the two superpowers have been the biggest arms dealers in the world. What merits attention is that the volume of weapons imported in recent years by nations of the Third World, and in particular the nations that are regarded as hot spots, went excessively beyond that of developed nations. To buy these ever more expensive weapons, these nations have to bear a heavy load of military expenditures. For example, Latin American countries now owe a foreign debt of \$350 billion, but one-fourth of the amount was paid to purchase weapons. The confrontations, or wars, between some countries, such as the war between Iran and Iraq and the wars between India and Pakistan, have caused them tremendous losses in lives and property, and hampered or delayed their economic development.

The forces opposing war and safeguarding peace are growing steadily. In the United Nations, the demand for a halt to the arms race between the two superpowers and for achieving effective disarmament in the world in recent years has been increasingly stronger. Last year the 39th UN General Assembly adopted more than 60 resolutions on disarmament. Peace movements in various countries of the world, and particularly the massive movements in Western Europe and the United States, against nuclear weaponry have made new progress and strengthened their ties with each other. This has formed a mighty torrent opposing war and safeguarding peace. In the summer of 1982, more than 700,000 people in New York turned out in the streets and staged a huge demonstration to oppose the arms race and demand peace and disarmament. Many peace fighters flew in from Western Europe and Japan to participate in it.

The tide opposing the United States' and the Soviet Union's deployment of new intermediate-range missiles in Europe, which started at the end of 1983, has engulfed the European Continent and millions of people from all walks of life have risen to shout with one voice--"No Pershing missiles and no SS-20's either."

The seventh conference of the heads of state of nonaligned nations, which was held in New Delhi in March 1983 and attended by more than 100 member countries and organizations, pointed out correctly: "Peace and peaceful coexistence, independence, disarmament, and development are the crucial questions of the present age." The nonaligned countries oppose "foreign aggression, occupation, domination, intervention and hegemony of all forms," and call for a stop to the "contention for spheres of influence and for a dominant position as well as to the arms race."

In April this year representatives of more than 80 Afro-Asian countries and regions gathered in Indonesia to commemorate the 30th anniversary of the Bandung Conference; they expressed the common aspiration of the Afro-Asian people to carry on the "Bandung spirit" under the new historical conditions, to safeguard peace, and to seek development. From May to September this year, when the people of the world commemorated the 40th anniversary of the victory in the war against fascism, the voice of those fighting for peace and opposing war echoed throughout the world. In recent years an encouraging tendency of promoting mutual contacts, dialogue, and reconciliation has emerged in some regions of the world. The development of this tendency will be conducive to promoting stability in different regions of the world and will be helpful to world peace.

China Is a Major Force for Opposing War and Safeguarding Peace

Safeguarding world peace is consistently a major goal of our foreign policy. In the almost 100 years before the founding of the PRC, the Chinese people were repeatedly subjected to foreign aggression and experienced to the full the disaster of war. They know very well that it is not easy to achieve peace. We have achieved great successes in economic construction since the founding of our People's Republic, but we still fall far short of the developed countries in the world in the economic, cultural, and scientific and technological fields. To catch up with the world's advanced level, we should work hard with the effort of several generations. We hope we will, as early as possible, change the backwardness of our country and raise the people's living standards through our peaceful labor, and we also hope to see all countries of the world live in harmony, strengthen friendly cooperation and promote common prosperity. In the effort to modernize our country, we naturally need a durable and stable peaceful international environment. And conversely, a modernized powerful China will become a strong force for striving for peace and opposing war. We desire peace not only today, but also in the future when our socialist modernization is achieved.

China has always been against the arms race and for disarmament. We oppose the spiralling escalation of the arms race between the two superpowers. We are unwilling and unable to participate in such a race, which is harmful and

of no value. China has always stood for the complete prohibition and thorough destruction of nuclear weapons and for a substantial reduction in conventional weapons. Completely against nuclear blackmail but for self-defense, China maintains very limited nuclear weapons and a certain number of conventional weapons. We have consistently held that the Soviet Union and the United States, which possess the most immense military strength in the world, should assume special responsibility for arms reduction in the world. They should take the lead in stopping testing, improving, and manufacturing nuclear weapons and in substantially reducing their nuclear arsenals and conventional military strength. Although the Soviet Union and the United States have failed to assume their special responsibility, China has still not shirked its responsibility. The Chinese Government has, of its own will, adopted many practical measures and made unremitting efforts to carry out arms reduction. As early as 1964, when China exploded its first atomic bomb, it solemnly declared: At no time and under no circumstances will China be the first to use nuclear weapons and it undertakes the commitment not to use nuclear weapons against nonnuclear states. In recent years, the Chinese Government has time and again reduced its expenditures for national defense and trimmed its Armed Forces. It has also converted a large number of war production factories to civilian use and handed over some military installations to the local authorities so that they can play a fuller role in economic construction. Furthermore, in June this year Deng Xiaoping, chairman of the CPC Central Committee Military Commission, declared that China would reduce the PLA by 1 million men. China's principled stand on the issue of disarmament and the concrete measures it has adopted have been widely praised by the world.

China is one of the advocates of the five principles of peaceful coexistence. It has unswervingly followed these principles in promoting its friendly relations and economic, scientific and technological, and cultural exchanges with various countries of the world. Under the guidance of the five principles of peaceful coexistence, China has settled with most of its neighboring countries the boundary problems left over from the past, and established and developed friendly relations and cooperation with the great majority of countries in the world. China's policies of opening up to the world and reforming its economic structure have opened vast vistas for further promoting its relations with various countries. China and Britain have satisfactorily settled the Hong Kong question through friendly consultations and mutual understanding and concessions. This has provided a new experience for the peaceful settlement of international disputes and contributed to maintaining stability in the Asia and Pacific regions and safeguarding world peace.

The development of the international situation shows that as long as the two superpowers do not stop the arms race and give up their contention for military predominance and expansionist policies, the danger of war will remain and the factors leading to war will increase. However, the people are the real strength in the world and it is the will of the people which determines the future of the world. We are convinced that the effort to safeguard world peace will be successful and the future of mankind is bright. The future of China is closely bound up with the destiny of the world. The 1 billion Chinese people are willing to unite with the people of the world to fight for their common noble objective--world peace.

SOCIALIST PRODUCTION RELATIONS SHOULD BE ABLE TO PROMOTE THE DEVELOPMENT OF
THE PRODUCTIVE FORCES

Beijing RED FLAG in Chinese No 18, 16 Sep 85 pp 28-33

[Article by Xue Muqiao [5641 2550 2890]]

[Text] Development of Commodity Economy and Construction of Socialism

All socioeconomic modes in history have to undergo a process of development and be matured and perfected step by step. Capitalism emerged as far back as in the 16th century. By the time of the French Revolution in the 18th century, nearly 200 years had passed since its emergence. However, it was by the end of the 19th and the beginning of the 20th century that it entered the stage of maturity and an actually developed capitalist economy had not emerged until the 50's and 60's of the 20th century. No socioeconomic mode in history can ever be pure. When Marx wrote "Das Kapital," he proved by abstract reasoning that there would be only a bourgeoisie and a proletariat or in addition a class of big landowners in a capitalist society and that individual laborers would gradually become extinct. However, even now, there continue to be large numbers of individual laborers in all developed capitalist countries. In particular, in the agricultural sector of these countries, in terms of number and quantities, family firms continue to be in the majority. However, the families engaged in agriculture are different from the self-sufficient peasants in feudal society. They conduct commodity production, are subordinate to and exploited by industrial and commercial capitalists, and have in fact become the "external workers" for industrial and commercial capitalists.

Just the same, a socialist society has to undergo a process of gradually being matured and perfected. When it begins to emerge, it inevitably has to preserve many traces of the old society. The fact that the socialist revolutions have not taken place in the most developed capitalist countries as was tentatively supposed by Marx, but took place in Russia where capitalism had not yet fully developed and in China and other countries where capitalism was fairly underdeveloped, determines that it is necessary for these socialist countries to undergo a prolonged process of development. When Lenin suffered a failure in his experimental wartime communism in which commodity and currency relations are eliminated, he resolutely implemented the new economic policy and restored commodity and currency relations. It was a

pity that Lenin died soon after that, and his idea has not been developed into a guiding thought for the construction of the socialist economy. As far back as in the 1930's, Stalin tried to establish a uniform socialist economy. He adopted an administration and management method in the collective farms that is similar to that in the state farms so that the peasants had no decisionmaking power over their production and labor. He always tried to reduce commodity exchanges and implement a system of planned distribution of products. He only acknowledged the existence of commodity exchanges between the two sectors of public ownership--the ownership by the whole people and the collective ownership--and between the state and the laboring people, but did not acknowledge the necessity to conduct commodity exchange between various state-owned enterprises, holding that the means of production were no longer commodities, had to be distributed in a planned manner, and must not be exchanged in the market. In regard to major consumer goods that are exchanged in the market, he often adopted the methods of planned production and planned supply, denied the regulatory role of the law of value in production, and tried hard to reduce the scope of the regulation of market mechanism in the field of circulation. This practice ran counter to the objective economic laws of socialism and hindered the development of the productive forces.

Before the founding of the new China, China was a semifeudal and semicolonial country with very little development of capitalist economy. Individual peasants accounted for 90 percent of the country's population. In its rural areas, the natural economy continued to have a dominant position and the commodity economy was very underdeveloped. In its urban areas, the commodity economy was fairly developed, but the simple commodity economy of small handicraft industries and small traders still had a fairly important position. In its capitalist commodity economy, the bureaucratic capital of a comprador capital type had an overwhelming ascendancy over the capital of the national bourgeoisie. The process of developing from a natural economy to a simple commodity economy, then from a simple commodity economy to a capitalist economy, and then from a capitalist commodity economy to a socialist commodity economy is the natural process of development of the productive forces. The proletariat seized the state power in our country under conditions whereby the natural economy still had a dominant position and the capitalist commodity economy had not yet been fully developed. It confiscated the bureaucratic capital and turned it into a socialist state-owned economic sector. Our country successfully completed the socialist transformation of the private ownership of the means of production. This was because: First we had already had a fairly strong socialist state-owned economy, and second at that time our understanding relatively better conformed to the reality and we were good at applying the law of value and the law of surplus value to make the capitalist economic sector and the individual economic sector accept the leadership of the socialist state-owned economic sector, and finally make them voluntarily accept the socialist transformation. In that period, there was a clear manifestation of the superiority of the socialist system. However, after the smooth fulfillment of the task of the socialist transformation, we neglected the objective laws of the development of the productive forces, attempted to skip the stage of the development of commodity economy, reduce the role of our market, and

implement an economic management system of centralized production and distribution. As a result, our economic life became increasingly rigid.

The Reform in Our Rural Economic Structure

The contradiction between the excessively centralized economic structure and the development of the productive forces was first reflected in the agricultural production sector where the natural economy still had a dominant position. After the founding of the new China, as we carried out agrarian reform, we thoroughly eliminated the feudal relations of production and greatly developed our agricultural production. However, in the process of cooperative transformation, we did not help the development of the commodity economy, but restricted its development by means of establishing a high degree of centralism. In particular, after our cooperatives were merged to form people's communes, the state no longer applied the law of value in guiding production, but arranged agricultural production by its mandatory plans and imposed a prolonged system of purchase monopoly, and purchase and supply quotas on our agricultural products. Since our peasants had no decisionmaking power over their production, it was very difficult to sharply increase their income through increasing production; therefore, the peasants' initiative in increasing production was greatly weakened.

The "Great Leap Forward" and the movement of forming people's communes in 1958 caused sharp reduction in our agricultural production in 3 successive years. Later, the situation improved a little because of the implementation of the principle of "three levels of ownership with that of the level of production teams as the foundation" and because of the reduction of the scale of the management of production and distribution. At that time, some comrades with relatively great foresight experimented with "fixing farm output quotas on a household basis" and achieved good results. In the spring of 1961, I accompanied Comrade Chen Yun to Qingpu County to gain firsthand experience in guiding overall work. The peasants there did not have enough food and were unable to transplant rice seedlings. The communes there fixed a farm work quota for each household and soon all the seedlings were transplanted. The peasants there told Comrade Chen Yun that the job of transplanting was done but the quality of the job was not good, therefore a reduction in production could not be avoided. In order to improve the quality of the work of transplanting, remuneration had to be linked with output when the time of distribution came. Soon afterward, the practice of fixing farm output quotas for each household was carried out in some areas in Anhui Province. As a result, there was a relatively good harvest which tided us over the difficulty. However, at that time some people said that this was an orientational mistake. In the summer of 1962, the central work conference in Beidaihe regarded as restoration of capitalism the practice of more plots for private use, more free markets, more enterprises with sole responsibility for their profits or losses, and fixing output quotas on a household basis. So this reform was strangled.

After the 3d Plenary Session of the 11th CPC Central Committee, many areas again experimented with the contracted responsibility system geared to households with remuneration linked with output. The aim this time was different

from the previous one. It was aimed at developing the productive forces instead of tiding over a famine. After the implementation of the system, as the labor results were directly linked with peasants' interests, the peasants voluntarily worked overtime, raised their labor efficiency, and practiced intensive farming. As a result, the agricultural output rose quickly. As their labor efficiency was greatly improved, they were able to spare more labor for their sideline production and thus increased their income even faster. Facts have proved that where agricultural production mainly relies on manual labor and where there is not enough land for a large population, the individual labor under the unified arrangement of the collective can yield greater productive forces than collective labor. Of course, individual labor now is different from that of the individual laborers in the past; for the land is owned collectively by the villages and in many areas the villages' or townships' unified arrangement of agricultural production has not yet been entirely abolished. The cooperative economic organizations of various kinds provide services for the peasant households assigned contracted responsibility before, during, and after their production. This facilitates overcoming the difficulties that the individual peasants in the past were unable to overcome. Therefore, the present system of contracted responsibility with remuneration linked with output gives play not only to the advantages of the collective economy, but also to those of individual labor.

The contracted responsibility system has greatly reduced labor consumption in our agricultural production. Now, a household specialized in pig breeding can raise tens or hundreds of pigs and a household specialized in chicken breeding can breed hundreds or thousands of chickens. Their labor efficiency has been much greater and some of these households earn several thousand yuan or even 10,000 yuan a year. Now the production of grains, cotton, and oil-bearing crops is mostly scattered as in the past. Generally, land is allocated in proportion to the number of able-bodied laborers or after allocation of land for food grain and for animal grain, what is left is assigned by responsibility contracts to peasants. In southern Jiangsu where land is scarce for the large population there, a household only tills 5 or 6 mu of 12 mu of land for the production of food grain and supplies most of the food grain it needs. This semi-self-sufficient economy continues to restrict the development of the productive forces. This year, we have abolished the system of the state monopoly over the purchases of food grain, conducting the practice of purchasing grain by contracts and develop the commodity exchanges of grain in our market. This will facilitate turning our agriculture into a commodity economy. At present, a small number of households specialized in grain, cotton, or oil-bearing crops have already emerged. However, as agricultural labor is very seasonal in nature, in most of our rural areas, there will continue to be the phenomenon of some people being engaged in agriculture while others are engaged in industry, commerce, or other trades. This phenomenon of peasants being engaged in agriculture and industry simultaneously will continue for a long time.

During the 1970's, because of the shortage of land for a dense population, commune and brigade industry gradually developed in the Chang Jiang Delta, Zhu Jiang Delta, and the Jiaodong Peninsula. Since the 3d Plenary Session of

the 11th CPC Central Committee, commune and brigade industry (now called township and town industry) has mushroomed and developed quickly in many areas in our country. In addition to industry, commerce, construction, transport, and other service trades have also developed there. In our southeastern coastal area and some of the central areas around large cities, because of the wide development of township and town enterprises, the pressure of rural population moving into cities in large numbers has been greatly eased. In the areas where township and town industry is particularly developed, the output value of township and town industry has already exceeded agriculture and at most, accounts for about 80 percent of the gross industrial and agricultural output value there. During the process of industrialization in all the capitalist countries, the rural population moved to cities and this was also the case in our country during the 50's and 60's. Now in many areas the pace of development of local township and town collective industry is markedly quicker than that of the state-run industry and this has become a characteristic of our country's industrialization. Now most of the township and town enterprises are under collective ownership. After paying taxes, a fairly large proportion of their profits are used by the township governments for the construction of highways and communications and for the development of social welfare. Some township governments have used the profits delivered by rural enterprises to support their agricultural production. Widely developing division of labor and specialization in production in our rural areas in order to turn our entire rural economy into a commodity economy entirely conforms to the objective laws that govern the development of our economy. This is bringing about a rapid change in the makeup of our rural areas.

The Reform of Our Industrial and Commercial Economic Structure

When the new China had just been established, there were not only a fairly large number of private industrial and commercial enterprises in our country, but as we confiscated the bureaucratic capital, there were already socialist state-owned enterprises that were stronger than private industrial and commercial ones. At that time, most of the private industrial and commercial enterprises were fairly backward. Therefore, it was possible for the state-owned enterprises to consolidate their leading position over the private industrial and commercial sector by means of ordering processing of goods from that sector and making the enterprises in that sector sell goods for them as agents. Then we gradually completed the socialist transformation of private industry and commerce through the development of joint state-private ownership. Throughout the process of the transformation, not only was there not destruction of private industry and commerce, but rather a certain extent of development. After switching to the joint state-private ownership, some former private enterprises relatively greatly increased their profits and production; while the remaining private industrial and commercial enterprises were put into an unfavorable position and faced the danger of being eliminated by competition. Therefore, they all applied to be switched to joint state-private ownership. In that period, the superiority of socialism appeared particularly clear. However, after all private enterprises were switched to joint state-private ownership, and particularly, after they were all turned into state-owned ones, as there was no longer any competition, the

defects of our state enterprises have gradually revealed themselves. At the beginning of the campaign to turn all enterprises into joint state-private owned ones, Comrade Liu Shaoqi put forward the idea that some private enterprises had to be preserved and be allowed to produce and deal in the small commodities that the state-owned sector cannot take care of and thus satisfy market demands. Comrade Chen Yun also put forth the idea that small handicraft firms and shops should not be rashly merged and that some free markets be preserved to operate as a supplement to the planned economy. However, it was a pity that these valuable ideas were entirely negated during the "Great Leap Forward."

In the past, we did not allow our state-owned enterprises to operate independently or shoulder sole responsibility for their profits and losses, but adopted the system of "eating out of the same big pot" that makes these enterprises deliver all their profits and transfer all their losses to the state. We put all the production and exchange of major products in the state's mandatory plans so that the factories carried out their production according to the plans and the commercial department purchased and sold the products according to the plans. As a result, there was a dislocation between production and market demand, some products were in short supply while others were stockpiled; the variety of products was reduced and the quality lowered. In addition, as we blindly pursued a high growth rate, we practiced excessive accumulation and conducted capital construction on an excessively large scale. This caused a shortage in the supplies of means of production, made our heavy industry develop in a one-sided manner and deprived our agriculture and light industry of the resources for their development. As a result, there was an increasingly serious shortage of the supply of consumer goods. That rigid system of economic management had increasing difficulty in meeting the demands of the development of our socialist economy.

Since the 3d Plenary Session of the 11th CPC Central Committee, in addition to readjusting the serious dislocation of the proportional relations of our national economy, we have carried out an economic structural reform. Inevitably, this reform will affect our understanding of the socialist public ownership. We must adhere to the socialist public ownership of means of production, but this public ownership must facilitate, not hinder, the development of our productive forces. In the past, all our state-owned enterprises depended on our state and conducted the practice of "eating out of the same big pot" while their staff and workers depended on the enterprises and conducted the practice of "eating out of the same big pot." Our enterprises were not relatively independent commodity producers, could not make a move unless they were told to do so by others, and were, therefore, not cells of a living body that had vitality, and were unable to grow by themselves, develop themselves, and consciously adapt themselves to the environment around them. In order to bring about a thorough change, similar to that of our peasants, we must give our state-owned enterprises necessary decisionmaking power in order to imbue them with vitality and at the same time put pressure on them and force them to seek survival and development amid competition.

The power of ownership and management can be appropriately separated. In the past, we failed to realize this, conducted the practice of centralizing all the profits and losses of all the enterprises of the ownership by the whole people, and refused our enterprises decisionmaking power over their expanded reproduction and technological renovation and transformation. During our economic structural reform, we should make our state-owned enterprises shoulder sole responsibility for their profits and losses and enable them to retain as their own funds some of their profits after they have paid income and other taxes. These enterprises should have the decisionmaking power not only over their technological renovation and transformation but also their expanded reproduction in the light of the demand of the market. After our state-owned enterprises have developed themselves and become strong, the power of ownership over them remains in the hands of the state.

In order to expand the decisionmaking power of our enterprises, we should carry out a reform not only in our financial management system, but also in our material and goods distribution, prices administration, and labor and wage systems so that our enterprises will have certain decisionmaking power over their supply, production, and marketing. Therefore, this reform is much more complicated than our agricultural structural reform. After invigorating our enterprises, we must correspondingly strengthen our macro control. For this, it is necessary to reform our planning system. In addition to necessary mandatory plans, we should implement guidance plans in a widespread manner and fully apply economic levers such as prices, taxes, and credit. Therefore, expanding the decisionmaking power of our state-owned enterprises has a bearing on many aspects of our economic structural reform. In particular, the reform of our financial system (including the reform of our taxation system), the readjustment of our price system, the reform of our price management system, and the reform of our labor and wage system are important conditions for breaking the practice of the enterprises eating out of the same big pot of the state and of the staff and workers eating out of the same big pot of the enterprises. By so doing, we will be able to give full play to the superiority of our socialist system which was fettered by our previous rigid economic management system and turn our state-owned enterprises into relatively independent commodity producers, thus better facilitating the development of the planned commodity economy and the productive forces.

The Establishment of a Socialist Public Ownership With Many Levels and Diverse Forms

Our country has hundreds of thousands of state-owned enterprises, therefore, it is impossible and also unnecessary to expand their decisionmaking power according to only one pattern. We should adopt relatively prudent methods for the large enterprises that have a bearing on the plans of our state and the livelihood of our people. In regard to our medium-sized and small enterprises, we should give them a relatively free hand in expanding their decisionmaking power. This is particularly so for our medium-sized and small service trade enterprises. Some of them can be switched to collective ownership, others can be leased to individuals or groups of individuals, and the administration and management of many others can be assigned by

responsibility contracts to their staff and workers. After delivering the amount of profits stipulated by the responsibility contracts, the enterprises are allowed to distribute their profits on their own, using the profits for their expanded reproduction or paying higher wages or bonuses. This contracted responsibility system is similar to the production responsibility system in our rural areas and it will adopt more collective ownership management methods. Then our hundreds of thousands of state-owned enterprises will adopt different methods of administration and management in light of their different conditions.

In addition to the state ownership, we must vigorously develop diverse forms of the collective ownership economy. When the new China was just established, we established many productive cooperatives among the masses of the people in our cities. At that time, many organs established enterprises and used the income from these enterprises to solve the problems that the supply system could not solve. After the supply system was switched to a wage system in 1953, the enterprises run by organs were separated from the organs and became cooperatives that shouldered sole responsibility for their profits and losses. The cooperatives established by the masses of people and the cooperatives that were transformed from the enterprises run by organs were under the unified leadership of the general handicraft cooperative, had decisionmaking power over their own operation, and shouldered sole responsibility for their profits and losses. The general cooperatives at various levels collected a certain portion of these cooperatives' profits as their reserve funds which were spent to serve the cooperatives under the general cooperatives. At the end of the 1950's, many people's cooperatives were developed and transformed into cooperative factories. Their scale of operation expanded and their level of mechanization was heightened. They were administered by the General Cooperative (later the Second Ministry of Light Industry). After paying taxes in accordance with the law, these factories delivered most of their profits to the ministry, which spent these profits in a centralized manner in the transformation and extension of some of the cooperative factories and in establishing new cooperative factories. The difference between the administrative and managerial methods of these cooperative factories and those of the state-owned factories was greatly reduced. However, as the Second Ministry of Light Industry could use this portion of its own funds to conduct expanded reproduction and as most of the production of the cooperative factories was not governed by the state plans and thus these factories could choose the orientation of their development in the light of market demand, the pace of development of these cooperative factories (at that time many people called these factories "big collectives") was markedly quicker than that of state-owned industrial enterprises. This showed the advantage of factories operating independently and shouldering profit and loss within the scope of the Second Ministry of Light Industry.

Since 1980, the state has changed its unified workers recruitment system and encouraged the youths awaiting jobs to organize cooperatives or cooperative groups on their own. As a result, in addition to the previous cooperative enterprises under the neighborhood committees, the "small cooperatives" that are different from the "big cooperatives" and that are run independently by the masses have emerged. Initially, these small collectives encountered many

difficulties and often, when state enterprises recruited workers, the members of the collectives vied with one another to get "iron rice bowls." Over the past few years, many cities have established organizations to help small collectives, for example, "general production service cooperatives," and "labor service companies." These organizations help job-awaiting youths establishing cooperatives of various kinds and at the same time they also help these cooperatives overcome various difficulties. They have collected some reserve funds and welfare funds from these cooperatives in order to solve the labor insurance and welfare problems that dispersed cooperatives cannot solve. In some cities where this work has been done satisfactorily, these new cooperatives have developed quickly. Because of their flexible management, the income of the members of quite a few of these cooperatives exceeds that of the staff and workers in state-owned enterprises. These members no longer vie with one another to seize the "iron rice bowls" in state-owned enterprises. Over the past few years, the economy of individual laborers has also developed very quickly. Now throughout the country, there are over 10 million rural or urban individual laborers. The development of small collectives and individual economy has not only helped solve the employment problem in many cities, but also provided great convenience for our masses of people.

As was mentioned above, during the past few years, our township and town industry has developed quickly. In some of the areas around the large cities in the southeastern coastal area and central area, often, the collective enterprises in the cities develop quicker than state-owned enterprises and township and town enterprises develop quicker than the collective enterprises in the cities. Our state-owned industrial enterprises have far more financial resources and much more advanced machinery and equipment. In the past, the township and town industrial enterprises relied mainly on their low wage costs to compete with the state-owned industrial enterprises. Through development, by now, the average wage of the township and town industrial enterprises in some areas has exceeded that in our state-owned industrial enterprises. The reason why our state-owned enterprises have been beaten in their competition with township and town enterprises is not only because they have to pay more taxes and deliver more profits to the upper levels than township and town enterprises, but more importantly because they lack decision-making power over their administration and management and cannot flexibly adapt themselves to market demand.

In some localities and trades, the development of the collective economy will cause some difficulties for the state-owned economy. This problem should not be solved by restricting the town and township enterprises, but should be solved by expanding the decisionmaking power of the state-owned enterprises in order to enable them to compete with town and township enterprises under the same conditions. The 3d Plenary Session of the 12th CPC Central Committee decided to expand the decisionmaking power of state-owned enterprises and to turn them into independent accounting units that operate independently and assume sole responsibility for their profits and losses. But in the immediate future, the reforms in other spheres still cannot be coordinated, therefore the decisionmaking power of state-owned enterprises is still pinned down by various factors and cannot be fully

applied. A transformation from the old economic system to a new economic system should take some time, during which there may be many difficulties. However, as long as we steadfastly implement the spirit of the 3d Plenary Session of the 12th CPC Central Committee, the state-owned enterprises will finally bring their own advantages into play and will continuously maintain and strengthen their leading position in our national economy. The development of urban and rural collective economic sectors will strengthen our socialist force. The individual economic sector can only be a necessary supplement to the socialist economy. We should impose restrictions on the individual households which violate the policies, laws, and decrees of the state and which seek their profits by means of speculation, but we should not exercise an improper control over the individual households which become rich through labor. Even the large-scale and technically advanced Chinese and foreign joint venture enterprises and the foreign sole-proprietor enterprises cannot seize the leading position from our socialist state-owned enterprises. So how can our individual households do that?

Because the development of town and township collective economy has been developing quite rapidly in many areas in southern Jiangsu and because the wages in this sector are comparatively high, most of the job-awaiting youths are unwilling to take a risk in operating as individual traders. At present, individual households are developing quite rapidly in some localities because the state-run and collective economic sectors have not yet been fully developed and thus leave much room for the development of individual households. The state's law and decrees (including the tax system) and its market administrative system are not perfect and thus leave loopholes for speculators and criminals to pursue illegal profit. We should adopt a large number of vigorous measures to develop the state-owned and collective economic sectors. With regard to funds, technical equipment and personnel, the state-owned economic sector is obviously superior to the collective enterprises and the collective enterprises are superior to the individual traders. However, the state-owned enterprises cannot take on everything. They should be assisted by numerous urban and rural collective economic units and supplemented by the individual economic units.

In principle, the socialist public ownership in our country is neither the public ownership by the whole society mentioned by Marx, nor the ownership by the whole people (state) and the collective between which there is a clear demarcation that people have generally acknowledged for a long time. But it is a socialist public ownership that is of many levels ranging from the central government through local government (provincial, city and prefectural) to town and township level and that has diversified forms of management and administration. This and other economic forms such as the individual economic sector and the joint state-private sector, the combination between the state and collective, the combination between the state, collective and individual, and the joint ventures and cooperation between Chinese and foreign capital, form a socialist economic structure with Chinese characteristics.

/6091

CSO: 4004/7

STRENGTHEN MACRO CONTROL

Beijing RED FLAG in Chinese No 18, 16 Sep 85 pp 34-35

[Article by Jing Ping [2529 1627]]

[Text] Some time ago, to counter some abnormal phenomena that have emerged in the course of reform, the CPC Central Committee and the State Council adopted measures to strengthen macro management and control over the national economy. These measures have attained marked results. However, it is still necessary for the vast numbers of cadres to further enhance their understanding of the importance of strengthening macro control.

Practice has shown that allowing flexibility on the micro level and exercising effective control on the macro level are indispensable. Both are reforms and moreover, are major reforms that play a decisive role on the economic situation as a whole. The relationship between microeconomic and macroeconomic activities is one between the part and the whole. The whole consists of the part; without the part the whole would not exist. Enterprises constitute the cells of the national economy. Only by allowing flexibility, granting the enterprises full decisionmaking powers in operations and management, and instilling vigor and vitality to every cell is it possible for the national economy as a whole to have vigor and vitality. In the meantime, the part should be restricted by, and subordinate to, the whole. Invigoration of the part must be kept within certain limits and its development should be suited to the development of the national economy as a whole. We should not entertain the idea that when the enterprises are invigorated, we shall have everything. Something which seems feasible on the micro level may not be feasible on the macro level. For this reason, the part should be subordinate to the whole and the interests of enterprises should be subordinate to those of the state.

This is not only the demand of macroeconomic activities but also the needs of microeconomic activities. Only by strengthening macro management, regulation, and control is it possible to lead the enterprises in developing according to the needs of the macroeconomy and to avoid making erroneous decisions contrary to the needs of the macroeconomy. Only in this way can we genuinely break with the previous conventions characterized by "confusion following relaxation of control and rigidity following establishment of control" and create a new situation characterized by "flexible control and orderly and lively activity."

In light of the various problems in the preceding period, such as the excessive scale of capital construction, the drastic increase in consumption funds, the excessive extension of credits, the drastic reduction of foreign exchange reserves, and soaring commodity prices, the focus of the current macro control is "four controls and one management." The "four controls" are as follows: First, it is necessary to control the scale of capital construction, to bring it into line with the state's capabilities, to bring the growth of extra-budgetary investment under strict control, to concentrate our efforts to ensure the construction of key state projects, and to resolutely reduce the excessively high rate of accumulation, thus easing the strains on energy, transport, and the supply of raw and semifinished materials and funds caused by blind pursuit of high output value and a high growth rate. Second, it is necessary to control the growth rate of social consumption funds, particularly the wages of urban and rural residents, and to guide them in spending their money correctly in order to reduce the pressure on production and the market caused by inflated social demands. Third, it is necessary to control bank credits and to properly tighten money supply in order to stimulate the rational flow and correct use of social funds and the extension of loans among units of the same level. Fourth, it is necessary to control the use of foreign exchange, to encourage by every possible means exports that can earn foreign exchange, to properly reduce imports that use foreign exchange, and to do our utmost to reduce the trade deficit to ensure that the state has sufficient foreign exchange reserves. "One management" means that we should strengthen management over commodity prices, resolutely curb indiscriminate price hikes, and remove the misgivings of the consumers about the price reform so that the various reform measures can be fully understood and resolutely supported by the broad masses. In short, by stressing macro control we want to create an excellent social environment to ensure the smooth progress of the reform. Naturally, in the course of strengthening macro control, we must persist in seeking truth from facts and proceeding from reality in all things. We must be careful to avoid using simple and crude methods, such as "doing things in a rigid way regardless of the actual conditions" and "switching off the mains." We should resolutely exercise, or boldly relax, control as necessary so that the economy as a whole can gradually effect a benign cycle and operate flexibly.

At present, our economy is in the process of changing from an old economic pattern to a new one. In the course of the reform, the old pattern has changed a great deal but not thoroughly. Some outdated methods of management and control are still functioning. At the same time, a new pattern that is full of vigor and vitality is being established but it is still not complete and perfect. Some new methods of management and control are still being explored and tested. They are still unable to play their role effectively. For this reason, in the current economic life a complex situation has emerged in which the old and the new patterns and methods coexist and permeate each other. Naturally, this is inevitable in the course of the reform. However, it has increased the difficulty and complexity of exercising effective macro control. Strengthening macro control does not mean that we should mechanically apply the old methods and return to the old track of exercising unified control but should adopt new methods suited to the requirements of the reform situation and take a new path conforming to the laws governing the socialist economy.

A glaring defect of the old pattern is the separation of the functions of government and enterprises. With the macro control organs of the government directly meddling in the micro management of enterprises, government organs took upon themselves many things which they should not and cannot manage. This has weakened macro control so that many things which should be managed cannot be managed effectively. For this reason, it is necessary to carry out a series of reforms in the macroeconomic management system and methods. As regards the contents of macro management, the previous practice of exercising direct control through the management of money and materials and the fixing of bases and proportions should be changed into one of enforcing indirect regulation through the use of economic levers. As regards the form of macro management, the previous practice of exclusively relying on administrative orders to ban or stop something should be changed into one of principally applying economic and legal means to carry out enlightenment. As regards the methods of macro management, the previous practice of launching mass movements to rectify unhealthy tendencies should be changed into one of strengthening economic legislation and judiciary work and conducting frequent inspections and supervision. As regards the installation of macro management organs, further efforts should be made to streamline administration and institute decentralization, to strengthen the functions and roles of the departments in charge of comprehensive economic management in exercising macro management, and to reduce the administrative intervention of professional departments in enterprises. In this way, the macroeconomic management departments at all levels can give full play to their functions in planning, coordination, service, and supervision, the superstructure can genuinely make the economic base, and government organs can serve enterprises and other grassroots units.

/6091

CSO: 4004/5

AROUSE ENTERPRISES' ENTHUSIASM FOR INTERNAL ACCUMULATION

Beijing RED FLAG in Chinese No 18, 16 Sep 85 pp 35-37

[Article by He Yubo [0149 3768 2672]]

[Text]

I

Since the expansion of the autonomy of state-owned enterprises and the implementation of the division of profits, and especially since the implementation of the reform to substitute tax payments for profit delivery, great changes have occurred in terms of possession of national income. Formerly, national income was basically collected and distributed in a unified way by the state. Now a portion of national income created by state-owned enterprises can, after wages are deducted and amounts handed up to central financial departments and over to local financial departments in accordance with regulations, be retained by the enterprises. Thus, they have certain strengths in terms of expanded reproduction. If we take the 518 state-owned industrial enterprises in Chongqing as an example, in 1983 they retained a total of 160 million yuan, an average retention of 310,000 yuan per enterprise. When the amount retained by the enterprises increases, the enterprises have more vigor and this provides a greater force and better conditions for enlivening production. This is a pleasing result of the reform of the economic system.

However, at present, many enterprises do not use retained after-tax profits for developing production and transforming technology. They mainly use it for bonuses and all sorts of subsidies. Not only this, but when depreciation funds which have been retained by an enterprise are used, several new problems appear. For example, the situation where enterprises use the excuse of renewal and transformation to build workers' residences and purchase durable commodities is often seen. Indeed, these sorts of situations to a large degree are compensating for "accounts due" and it cannot be said that they are all wrong. However, in the process of using their own funds, the enterprises are unable to correctly handle the relationship between accumulation and consumption. They stress immediate interests and overlook long-term interests. This problem is worthy of attention.

In our country, the development of industrial production and the promotion of technical progress are mainly carried out through the two avenues of

capital construction and technical transformation of old enterprises. The transformation of existing enterprises and fully bringing into play the role of existing enterprises is the main form of technical progress. Most of our nation's over 400,000 enterprises have outmoded equipment and backward technology. If we do not speedily carry out technical transformation we will not be able to bring about a basic change to the situation of backwardness and the national economy will not continue to develop in a stable way. Thus, we must adopt several measures so that enterprises voluntarily use their depreciation funds well and take an appropriate amount of their after-tax profits for use in technical transformation.

In the process of using the newly increased income, the enterprises place too much stress on immediate interests and overlook long-term interests. Does this mean that the enterprises have no need for investment? No, it does not. The current situation tells us that the enterprises have an intense need for investment. The problem is that the existence of the need for investment in an enterprise does not mean that there is enthusiasm for internal accumulation.

We know that whether we are setting up new enterprises or transforming old ones, investment in fixed assets is required. The characteristic of investment in fixed assets is that "over a relatively long period it takes labor power and means of production, but in this period it does not supply any useful products." ("Complete Works of Marx and Engels," Vol 24, p 396) However, when the investment process is finished, and the project is put into production, following the expansion of production, income also increases. Based on this situation, enterprises must expand production and raise economic results. There is thus a need to renew equipment and increase investment in fixed assets. We can also see that the existing economic management system and the above-mentioned characteristic of investment in fixed assets are not beneficial to carrying out investment through internal accumulation by enterprises. Why is this? In the last few years, during the reforms, we have carried out initial readjustment of the relationship between the state and enterprises. It should be said that this has played a certain role in arousing the enthusiasm of enterprises for carrying out internal accumulation. However, this readjustment was carried out under the condition of recognizing the rights of possession, use and allocation already existing. The situation at present is that wherein enterprises are using the means of production they already possess to carry out production, and the profits they create are distributed between the state, the enterprise, and the workers in accordance with regulations. As the profits created by enterprises increase, with the precondition of the state's income increasing, the income of the enterprises and the workers will also rise. However, an enterprise only needs to enliven labor to increase income, it need not expend funds. If an enterprise uses its after-tax profits to renew equipment and the income which is created by these new assets is divided between the state and the enterprise in the same way as that derived from the original assets, there will be no added benefit for the enterprise. How can the enterprises be expected to willingly carry out internal accumulation? It appears that the failure to differentiate, in terms of management and income allocation, between the fixed assets formed by state

investment and those formed by investment of after-tax profits, is the crux of the problem whereby enterprises lack enthusiasm to carry out internal accumulation.

The current leadership system with enterprises and the external pressure on enterprises are both insufficient. This is also an important factor in enterprises lacking the will to carry out internal accumulation. This is mainly manifested in: First, the current director responsibility system and tenure responsibility systems which are widely implemented do not clearly set down the responsibilities the director must assume in terms of the development of the enterprises. Objectively, this may lead to a situation where the director, in his relatively short period in office, pays too much attention to the immediate interests of the workers, overlooking overall and long-term interests. Second, under the current system, state-owned enterprises cannot go bankrupt and thus they lack any sense of apprehension. Whether an enterprise is managed well or poorly, whether it can develop or not, and other such questions have no bearing on the continued existence of the enterprise.

Because enterprises lack enthusiasm for internal accumulation, the investment needs of enterprises result in them vying for state investment and bank credits. This is because state investment in an enterprise has only advantages, no disadvantages. For an enterprise, the investment may not be completely necessary, but apart from paying interest, there is no need for other expenditures. It does not take on any of the investment risks and the income from the investment benefits both the enterprise and its workers. The funds are not its own and thus the enterprise does not pay much attention to their use-effectiveness. As to bank credit: 1) Interest charges are far lower than the benefits derived from investment; and 2) at present, all areas apply the method wherein enterprises repay their loans before paying taxes. As opposed to the system wherein an enterprise funds investment through its after-tax profits, in the above methods the state, in fact, takes on the greatest responsibilities in investment. If it is possible to encourage enterprises to use some of their after-tax profits in investment, and projects are decided on by the enterprise, under the guidance of the state, with the state guaranteeing that the enterprise will not suffer losses in the distribution of income, then the above situation can be basically changed.

II

Resolving the problem of enterprises lacking enthusiasm for internal accumulation will be difficult if we rely solely on administrative measures. We should use as reference the experiences of the rural reforms wherein the enthusiasm for investment was encouraged, and mainly rely on economic measures. I believe that we need to differentiate between fixed assets which have been formed through the use of after-tax profits and the original fixed assets. We should treat them differently both in terms of management and in terms of income distribution. At the same time, we should pay attention to perfecting the enterprises' internal leadership systems and to increasing the pressure of competition on the enterprises.

1. The fixed assets funded by investment of after-tax profits by large and medium-sized backbone enterprises should remain state-owned. This, in principle, should be continued. However, because the enterprises' after-tax profits and the material interests of the enterprise and workers are closely related, we should see that the enterprises take a certain amount of this money and invest it in production. This will ensure that this money again returns to the hands of the enterprises and thus brings advantage to the enterprises. It can be considered giving the enterprises, for a number of years, all of the increased benefits derived from investment made with after-tax profits, as investment compensation. If it is difficult to calculate the new increased benefits separately, it is possible to use the method of multiplying the profitability of the enterprise's fixed assets by the amount of after-tax funds invested by the enterprise. The number of years over which this should be allowed should be calculated using the average advanced level for the industry. This will allow enterprises with good investment benefits to gain more and enterprises with poorer investment benefits to gain less. At present, the state has changed the method of investment in fixed assets from overall allocation to a method of credit funds. There is no longer uncompensated investment by the state and the only sources of funds for enterprises in investing in fixed assets are bank credits, depreciation funds, and the enterprise's after-tax profits. Thus, the benefits accruing from investment using after-tax profits must not be less than the benefits derived from using bank credit. If they are, the demand for investment funds by enterprises will be overwhelmingly inclined toward bank credits.

2. Seen from the present situation, it is possible to implement, in some of the medium-sized and small state-owned enterprises, systems of "state ownership and collective operations" or "state ownership and leased operations." In these enterprises all fixed assets formed through investment of after-tax profits can be clearly stipulated to be collectively owned. These assets will not be state-owned and will not be subject to transfer. With the precondition that income tax is paid in accordance with the stipulations applicable to collectively owned enterprises, the income derived from these assets can also be given appropriate consideration.

3. We must further perfect the internal management systems and implement responsibility systems in terms of goals to be achieved by directors during their period in office. As to these goals, we should clearly set down an enterprise's development aims and take the growth of the enterprise during a director's term of office as an important standard in assessing the success of that director. Whenever a director assumes office, the upper-level responsible department must carry out an investigation of production and of funds and record the technological and economic situation of the enterprise. Also, when the director leaves office, another rigorous examination should be carried out. If the director has carried out operations of a plundering nature, by just considering immediate interests, resulting in excessive wear and tear on the fixed assets, the aging of equipment in terms of technical level, and a decrease in the market competitiveness of products, then it will be necessary to investigate and affix the director's economic and legal responsibilities.

4. We must allow enterprises to collect funds through various channels and allow workers to purchase shares. Fixed assets purchased with investment derived by the pooling of funds to purchase shares or the issuing of stocks should be treated as fixed assets which have been purchased with an enterprise's after-tax profits. The advantages of such a system are: 1) It can expand the sources of funds for an enterprise and will draw some of the funds which originally would have been used in consumption, into production, and 2) it can ensure that the workers and even the people in the society jointly concern themselves with the development of the enterprise.

5. We must differentiate, on the existing basis, between different industries and enterprises, adopt appropriate measures to raise the level of funds retained by enterprises and gradually raise the rates of depreciation. This will not only increase the demand for enterprises to transform themselves and develop their own strengths, but will also be of very great significance in motivating the enthusiasm of the enterprises for internal accumulation. This is because an enterprise, in carrying out internal accumulation, has objective limits in terms of amounts. If policies result in enterprises' internal accumulation abilities being too weak, investment would be unable to play a great role in developing production. Then there would be no way to even talk about an enterprise's enthusiasm for internal accumulation.

6. We must guarantee the autonomy of enterprises in using the funds they have retained. This problem, it should be said, has been resolved quite well since the promulgation of the State Council's "Provisional Regulations on Further Expanding the Autonomy of Enterprises." The present problem is that we must open things up further and must especially simplify administration and delegate authority in terms of approving technical transformation projects. At the same time, we should set down strict regulations as to the use which can be made of depreciation funds. These funds should only be used in renewal and transformation and cannot be misappropriated. If an enterprise uses its depreciation funds in renewal and transformation, the upper-level responsible departments should not be allowed to interfere.

7. On the basis of carrying out investigation and research, we should as quickly as possible set down an "enterprise bankruptcy law" which accords with our nation's situation. We should further increase the pressure of competition on enterprises and eliminate enterprises' feelings of "absolute security" with no need to look at what they have done before. This will encourage enterprises to correctly handle their internal consumption accumulation relationship and, proceeding from long-term interests, to make all sorts of plans to strive for the development of the enterprise.

/6091

CSO: 4004/7

TELL THE TRUTH; DO NOT TELL LIES

Beijing RED FLAG in Chinese No 18, 16 Sep 85 pp 38-39

[Article by Zheng Weizhang [6774 0251 4545]]

[Text] Since the founding of the PRC, we have suffered much from the telling of lies in regard to economic construction. The lesson we have learned is most profound. Today, certain people seem to have forgotten the pain after the healing of the wound and are again telling lies and performing illegal acts. For example, in economic construction, exaggeration has appeared in certain regions. Other regions have compiled false statistics, created false conditions, and made false reports. Some other regions have made up false models, anxious to publicize examples such as a "10,000 yuan village," a "washing machine village," a "refrigerator village," or a "color television village," and so on. Some regions are not telling the truth to the central authorities, and just like the leaders of Hainan who engaged in illicit motor vehicle deals, they fabricate lies to deceive the central authorities. In addition, there are many people dealing in commodity production in many localities who resort to deception, turn out fake goods or imitation goods, tell lies, and display false skills. Although they are small in number, they have done enormous harm and we must be very alert to this.

This evil wind of telling lies is closely related to the habits of some of our leadership cadres. As soon as the situation takes a turn for the better, leadership comrades in certain departments or regions are no longer level-headed. They delight in imposing tasks on the lower levels and like their subordinates to report only the good news and not the bad news. They do not criticize their subordinates for telling lies. Instead, they encourage them, put them in high positions, and generally harbor and shield them. They consider their subordinates who are honest to be conservative and ones who have not liberated their thoughts. They criticize and even look down on them. Gradually, they create an atmosphere in which their subordinates dare not speak the truth. As the saying goes: "If the superiors are indiscreet, their subordinates are worse." Once the upper-level leaders have expressed their likes or dislikes, leadership at the lower levels will cater to their wishes, especially to their likes. They will say whatever the upper levels like to hear and refrain from saying what the upper levels dislike. Moreover, because of the bureaucratism practiced by certain higher-level

leadership cadres and their highly bureaucratic air and unwillingness to go into realities or to go deep into the masses to investigate and study, these leadership cadres can be easily deceived. As a result, the practice of telling lies has widely spread. Comrade Zhou Enlai pointed out: "In order for everybody to tell the truth, all leaders must first show their fondness for the truth and opposition to lies. If you force tasks on your subordinates, the result is that the comrades prepare two separate versions. They will deliberate first before they speak, and then say what you would like to hear. This really is a problem of party air. If everybody tells lies and says what the leaders like to hear, then isn't it like the bureaucratic atmosphere of the old society?" ("Selected Works of Zhou Enlai," Vol 2, p 349) These sincere words and earnest wishes spoken by Comrade Zhou Enlai 20 years ago are today still worth our deep thought!

Seeking private gain through falsehoods also helps in spreading the evil wind of telling lies. Under the current new conditions of carrying out the reform of the economic structure and of opening to the outside world and internally invigorating the economy, some people are seeking private gains on the pretext of reform. The preposterous theory propagated by Lin Biao that "big deeds cannot be accomplished without telling lies," even though lies are despised by most people, is readily understood by those people who like to make private gains and has led them to use the telling of lies as a tactic to make private gains. There are people who have told lies in order to seek honors or to gain material interests or to earn leadership posts. In short, they tell lies for the purpose of damaging the public and making private gains. Hence, to get rid of the evil wind of telling lies, it is necessary to banish the remnant poison spread by Lin Biao and the "gang of four," to strengthen party character, to establish the viewpoint of serving the people in heart and in soul, to highly regard the interests of the people and the interests of society, and to develop the good habit of telling the truth and doing real deeds.

Although in the past we did stress speaking the truth and not telling lies, there were no rigid disciplinary rules and a perfect system to enforce them. Those who tell lies only have in mind promotion to higher posts or obtaining riches or seeking honor by deceit. These people should be sternly disciplined, and those who should be dismissed from their posts should be so dismissed while those who should make good the losses should be made to so compensate, so that they will lose their reputation and be despised by all. By so doing, they can be forced to behave and stop their unworthy deeds. As for those who are honest and tell the truth, there should be a system to commend and reward them. By so doing, the number of people who speak the truth will naturally grow. During the period of the Warring Kingdoms, Emperor Wei of Qi Kingdom made the following regulations: Those who criticized him to his face would be given a "high award"; those criticizing him in writing would be given a "medium award"; and those at the lower levels who made criticisms of him which came to him through the grapevine would be given a "low award." "The Annals" mentioned that he heavily rewarded Official Mai for "not seeking any honors," but gave Official A Cheng, who "sought honors" mainly through telling lies, the penalty of being put to death in a pot of boiling oil. "As a result, the whole Qi Kingdom was

frightened, and nobody dared to tell lies. Everybody tried their best to be honest. Thus, Qi Kingdom enjoyed peace and prosperity." ("The Annals," Vol 46) Isn't it true that this historical incident of rewarding truth and punishing lies can still enlighten us today? By no means do we advocate following Emperor Wei's example of putting liars to death in a pot of boiling oil. We only mean that we should follow his spirit of rewarding truth and punishing lies. If, for cadres, rewarding truth and punishing lies can be made a criterion for the assessment of cadres in regard to their appointment or dismissal, promotion or demotion, award or punishment, then it will be an effective measure to encourage telling the truth and prevent the growth and spread of the evil wind of telling lies.

During revolutionary war, we must have a clear knowledge of the enemy in fighting our battles; we must know their condition as well as our own conditions and there must not be the least bit of falsehood. Today, in our pursuit of socialist economic construction, speaking from certain aspects, the situation is more complex and more difficult than that in term of war. In particular, there is all the more need for seeking truth from facts and speaking the truth. Only by speaking the truth and insisting on revealing the real condition at any time for whatever problem can we accomplish the feat of starting from reality and working according to objective economic laws, or can we set our guidelines, policies, and measures on the reliable basis of facts, and can we smoothly establish socialism with Chinese characteristics. Conversely, if telling lies has become the common practice and the real situation is not revealed, then we will be committing the same errors as before, and economic construction will suffer serious losses. At the present time, as we carry out the various reforms, there is all the more need to oppose telling lies and to insist on telling the truth. If we do not, the reform cannot be accomplished well. Telling lies seriously damages the party's prestige, harms and breaks the relationship between the party and the populace, and corrodes the party members and cadres. Lies harm the state and also harm individuals, because falsehood is always false and the truth will eventually be revealed. The leadership of Hainan has been punished and so have the unruly elements making fake medicines in Jinjiang. They are good reminders of what could befall liars.

/6091

CSO: 4004/7

GRASPING MAJOR ISSUES, GRASPING MINOR ISSUES

Beijing RED FLAG in Chinese No 18, 16 Sep 85 p 40

[Article by Mi Bohua [4717 0590 5478]]

[Text] Some people feel that the historic leader Zhu Geliang provided a good model by "exhausting himself in public service." But it was felt he had a small drawback in that he sometimes got engaged in too many routine tasks. For example, he wanted to personally check the details of registers. He wanted to personally inspect any cases where people "had been fined more than 20 units of currency." As a result, "he ran with sweat all day long." Of course, he was not "one to concern himself only with small things." The more important matters remained clear in his mind. Regardless of whether they were large or small matters, he kept them all constantly in mind. His death was said to have been "the will of heaven," but such a statement is pure humbug. More likely he died from constant overwork.

That leaders should take care of important matters is beyond dispute. However, there are no fixed standards for what is to be classed as "important" and "minor." For example, when Wang Chonglun became mayor, he put controls on beancurd. Was this grasping an important issue or grasping a minor issue? Some people said that Wang Chonglun was being a bit trivial, and asked why something as trifling as beancurd need concern the mayor. Of course, placing controls on beancurd was good; but what about soy sauce, noodles, eggs...should they be controlled? They felt that a mayor should concern himself with important matters. I agree that a mayor should concern himself with important matters, but such a term is a bit abstract and non-specific. A few years ago there was the following report: The cotton mill in a certain town caught fire. The fire was of great intensity, swallowing up nearby factories and residences. Thus, a report was submitted to the municipal party committee. The standing committee of the municipal party committee was meeting at the time. The participants were visibly moved upon hearing of the fire, but the major responsible persons went on with the meeting. Afterwards, some people were critical, saying that the municipal leaders did not grasp important matters and were ossified bureaucrats. However, some other people were outraged by such statements and asked which was most important--the meeting of the standing committee or fire-fighting. A simple comparison is not sufficient; we must analyze this a little more specifically. In general, a meeting of

the municipal standing committee is an important matter, but at the time, it was not as important as fire-fighting. If a standing committee meeting is deferred an hour or two, or even a day or two, it will not give rise to any great problems. However, fire-fighting is like life-saving. If the municipal committee leading comrades personally went to the scene, took control, and put out the fire even one minute earlier, how much state and personal property could have been saved? We can see from this that important matters and minor matters are relative and of different significance at different times and under different conditions. Some matters appear small, but at other times are of great significance and become important. Some other things appear important, but at other times are not so important, or may have no significance, thus becoming minor matters. Thinking in these terms, when people in a bean-growing village had no beancurd to eat and Wang Chonglun personally took control of the matter, there is no doubt that it was an important matter, and a desirable action. This matter was far more important than the receiving and sending off of guests, which is of little significance, and far more important than the piles of documents and huge numbers of meetings which have reached disastrous proportions. Of course, some receiving and sending off of guests, some meetings, and some documents are necessary. However, it is undesirable for leaders to put all their energy into such things or to always regard them as of supreme importance.

The complexity of this problem lies not only in differences of understanding. Even if everyone agrees on the importance of a matter, how to handle it is still a problem. The matter of rewards and penalties cannot be lightly handled, and registers are not necessarily important. Zhu Geliang's grasping of such things was not necessarily a mistake. Perhaps they needed to be handled in this way. When it was said that he was too "routine" or trivial, this referred to his "personal inspections" or "personal checking." It is often said: "Of generals, he who sits and watches the outcome will be the leader; he who rushes into the battle will be a follower." This of course is the highest model when employing troops. However, the logic used is obvious: Each person should stick to his own duties and not interfere in things which are the responsibility of others. Based on my own terms of reference, one should look after what he is supposed to look after. What one does not need to "personally" handle can be delegated to subordinates. Taking control of beancurd was an important matter, but did Wang Chonglun need to go to the beancurd stalls and help steam the beancurd? There was no such need. Had he done this, it would have been grasping minor, rather than major issues. What he had to grasp was planning and policies. He had to do the overall work rather than the detailed work. When planning and policies are scientific, there will be people available to steam the beancurd. However, the efforts to do so should come several levels below that of Wang Chonglun. It can be seen that even if a matter is important, how it is grasped is also of great significance.

In brief, on the one hand, leaders need to assess the overall situation and see clearly the major contradictions and main problems. Only thus will they be able to grasp them well and see results. On the other hand, leaders must stress "leading" and "guiding" while handling such matters. They must be good at managing things, using strengths on all sides, and bringing into

play the enthusiasm of all sorts of people. Only thus will they be able to break free from the interference of trivial matters. When attention is paid to those two things, important matters will be grasped, small matters will proceed smoothly and achievements will certainly be realized.

/6091

CSO: 4004/5

REFORM TEACHING, STRENGTHENING THEORETICAL EDUCATION ON MARXISM IN
INSTITUTIONS OF HIGHER LEARNING

Beijing RED FLAG in Chinese No 18, 16 Sep 85 pp 41-44, 45

[Article by Lu Zhichao]

[Text] The CPC Central Committee attaches very great importance to ideological, ethical, and political theory education under the guidance of Marxism in our schools at all levels. In the first half of this year, on the basis of investigation and study, it put forward its opinions and tentative ideas on reform concerning the arrangement of the teaching and the contents of the methods of education in this area and opinions were widely exchanged with teachers and leaders of teaching work in many schools. Recently, the CPC Central Committee issued a special circular, stipulating the principles, contents, steps, and methods of the reform and called on us to firmly, conscientiously, and systematically do a good job of this work. This is a very important task. In order to fulfill it satisfactorily, we should first fully understand its significance. The following are my personal opinions on the questions related to this teaching, particularly on the importance of reform in the teaching of Marxist theory in our institutions of higher learning.

The importance of the reform in teaching the subjects of Marxist ideology and theory in our schools of various levels is determined by the importance of these subjects themselves.

Marxism-Leninism-Mao Zedong Thought is the guiding ideology for our party and state and the theoretical basis for our party in leading China's revolution and construction. When we carried out our new democratic revolution in the past, it was under the guidance of Marxism and by integrating the universal truth of Marxism with China's actual practice we achieved our victory. When we carry out our construction and reform in various spheres today, we must continue to rely on the guidance of Marxism and so integrating the universal truth of Marxism with the actual practice in China. This is a truth that has been tested and proved by a great deal of practice in history and it is also the most important historical experience that our party and the people in our country have gained in their prolonged struggle.

The position of Marxism in our country's cause of socialist construction has determined the extremely important position of the courses of Marxist theory and ideology in education in our schools of various levels. The courses of this type taught in our schools of various levels include: the ideology and ethics course in our primary schools; the ideology and politics course in our middle schools; and the Marxist theory courses in our institutions of higher learning. These courses are an important part of our entire school education, the core of the party's ideological and political work in our schools, and an important sign that shows our socialist schools are different from capitalist ones. Our schools train socialist laborers and personnel for socialist construction.

In order to fulfill the task of training this kind of personnel, we must strengthen the party's ideological and political work and ideological and theoretical education in our schools. Naturally, the teaching of Marxist ideology and theory courses should coordinate with other ideological and political work the party is carrying out in our schools, the teaching of other courses, and other useful activities of various kinds. However, it is the basis and core of the ideological and political work and the ideological and theoretical education that we are carrying out among our students, and therefore cannot be replaced by any other course or by any other form of education or activity. Only through a systematic education in Marxism that proceeds from the easy to the difficult in an orderly way, step by step, can we enable our students to gradually understand the knowledge laws concerning politics, economics, sociology, and other spheres of the socialist society and learn the skill to correctly observe various kinds of social phenomena and to correctly handle the relations between themselves as individuals and society.

Only through this can we enable our students to gradually understand the social ethics and the socialist ethics, law and discipline that citizens of our country must observe, foster lofty morality and quality, and establish the sense of observing discipline and law. Only through this can we enable our students to understand the basic experience of integrating basic Marxist theory and the universal truth of Marxism with the actual practice of the revolution and construction in China, foster a correct outlook on life and the world, acquire the ability to apply the Marxist stance, viewpoints, and methods in analyzing problems, and be aware of the duties that the younger generation shoulders for the great cause that the CPC and the Chinese people are carrying out.

In short, the Marxist ideology and theory courses in our schools play a decisive role in laying the foundations of political orientation, thought, and morality for our youngsters and youths throughout their lives, heightening their patriotic, collectivist, socialist, and communist awareness, and training generation after generation of builders of communism who have ideals and morality and who are educated and observe discipline.

The importance of education in Marxist ideology and theory is particularly clear in our institutions of higher learning. The task of our institutions of higher learning is to train various kinds of professionals for our

socialist construction. After they graduate, the students of these institutions will become backbone forces in carrying out the modernization program in all fields, and some of them will become leaders in various sectors. Therefore, their political awareness, thought, and theoretical level will have an extremely great impact on the progress of the modernization program and will be vital to the future of our country's socialist construction. For students majoring in humane studies and social sciences, the question of whether they are able to understand and correctly apply relatively more Marxist theory has a bearing, not only on the question of whether or not they will be able to use their professional knowledge in our socialist construction, but also on whether or not they will be able to correctly learn and master their professional know-how and whether or not they will be able to adhere to Marxism and score creative achievements in their future research work and practice. For students majoring in science, engineering, medicine, agriculture, and so on, their level of Marxist thought and theory has a bearing not only on the question of whether or not they will be able to apply their professional knowledge wholeheartedly for the socialist construction of their motherland, but also on whether or not they will have the scientific thinking methods of materialist dialectics and whether or not they will be able to master profoundly the objective laws that govern the fields of their study and research. In short the results of the education in Marxist ideology and theory will to a very great extent determine the world outlook and political and ideological orientations of the various lines of professionals trained by our institutions of higher learning. This is of vital importance for the supply of personnel for our country's four modernizations.

Only when we fully understand the extremely great importance of education in Marxist ideology and theory in our schools, particularly, in our institutions of higher learning, can we realize the importance and urgency of carrying out educational reform in this field. Why should we carry out the reform? Because these courses are so important that the existing arrangement of courses, contents, and methods of teaching badly fail to meet the requirements for training personnel for the new historical period and can hardly fulfill the tasks for this education or make this education play its due role.

Since the founding of the PRC, courses in Marxist ideological and theoretical education have been established in our schools of all levels. Generally speaking, great achievements have been scored in teaching these courses and they have made their contribution to the work of training fine personnel for socialist construction and developing a large number of Marxists. In the prolonged work of teaching, the schools of various levels and the vast number of teachers have been loyal to the undertaking of education in Marxism, overcoming a variety of difficulties and making valuable efforts to continue to improve and strengthen the teaching of these courses. Their achievements include the writing of much valuable teaching material, the accumulation of good experience, and the emergence of a number of fine teachers who are well received by the students. These are facts that cannot be denied and are also the foundations and preconditions that make it possible for us to put forward the task of reforming education.

However, we should also see that first, because of the change in historical conditions, and then because of a variety of other reasons, such as the interference of our previous "leftist" mistakes, losses caused by delay, and the influence of dogmatism, the teaching of ideological and theoretical results in our schools at present seriously fails to meet the requirements of our socialist modernization and reform. This is mainly shown in the fact that the teaching contents are relatively outdated and are to various extents divorced from the development of the times, the development of science, technology, economics, and politics in the world, the practice of China's socialist modernization and reforms at present, the reality of the students' minds, and the requirements of the students' study.

Since the 3d Plenary Session of the 11th CPC Central Committee we have made many efforts to improve the teaching contents and relevant teaching materials and added some new teaching materials but, generally speaking, we have failed to bring about a radical change in the relatively outdated nature of the teaching.

Because of the prolonged practice of closing our country to international contacts, we neither understood nor studied many of the developments in science and technology in various countries of the world and the development of world economics, policies, and culture in the past decades. Our courses have failed to fully reflect the new situation or to assimilate new achievements in social and natural sciences. Our courses have also failed to fully reflect the new experiences and problems of socialist construction in various countries and of the international workers movement. Nor have they reflected fully the problems that have cropped up in the new practice, new experience and reality in various sectors since the 3d Plenary Session of the 11th CPC Central Committee and which need further investigation. Therefore, much of the arguments and situations discussed in our courses fail to rouse students' interest, while a large number of practical questions on theory and understanding that our students have asked are not given Marxist answers. This is a long-standing problem that many comrades in our schools are keen to solve. Moreover, the arrangement of the courses in the schools of various levels is not rational enough and some of the courses overlap one another. In particular, much of the philosophy and political economy taught in our middle schools is repeated in the courses at our institutions of higher learning.

This is detrimental to the teaching both in our middle schools and in our institutions of higher learning. There are also many defects in our methods of teaching and examination. The above has, to a very great extent, caused the teaching of our ideological and theoretical courses to be devoid of convincing, attractive, or militant forces making it difficult for it to play its due role in our school education. Therefore, a reform in this aspect of education is imperative. It has already become one of the urgent tasks in training a generation of construction personnel who have ideals and morality, and who are educated and observe discipline.

The key to the reform of education in Marxist ideology and theory is to conscientiously implement the principle of combining theory with practice,

and thus turn these courses into lively and interesting ones that have rich scientific knowledge and profound ideological contents and are closely related to our times and to the real social life in our country. This reform is not only a demand of reality, but is also determined by the essence of Marxist theory. Marxism has never been, nor can be, a closed and solidified system. It must continue to develop along with the development of the times and of other branches of science. Inevitably, it must continue to absorb without cessation, the new achievements and understanding in various fields of natural and social sciences, and to research into and answer the new problems that have cropped up in reality.

Therefore, the courses that teach students Marxist ideology and theory should not only use plenty of correct basic facts and knowledge to historically and scientifically explain the emergence of Marxism and correctly expound on the basic principles of Marxism in totality. Particularly, they should be closely linked with the new developments in economies, politics, science and technology in our times and with the reality in our students' minds, guiding our students in applying the basic viewpoints and methods of Marxism in vigorously considering and answering the new problems raised by our reality. In other words, the teaching of courses of Marxist ideology and theory must be geared to the modernization, to the times and to the future. What we teach our students should animate and develop Marxism rather than being stagnant and rigid dogmas that we force them to learn by heart. The reason why the dogmatic contents and methods of teaching have failed to solve the students' problems of ideology and understanding, or to be well received by them, is first of all because it runs counter to Marxism.

The contents and requirements for courses on Marxist ideology and morality and political theory in the schools of various levels put forward by the CPC Central Committee in its circular, embody the principle of integrating theory with practice. The arrangement of the courses, stage by stage and level by level, from our primary schools through our middle schools and institutions of higher learning, has not only taken into consideration the different requirements of education in the schools of different levels imposed by the socialist modernization and the connection between these courses, but has also taken into consideration the characteristics of the development of thought, knowledge, and mentality in our youngsters and youths during their different periods of growth, and embodied the teaching principle of proceeding from the easy to the difficult, from the concrete to the abstract, and from phenomena to essence, step by step in an orderly way.

From the point of view of the contents and requirements of education in Marxist theory at our institutions of higher learning, in the arrangement of the courses, we should first consider the principle of integrating the basic principles of Marxism with China's practice. On the one hand, we require that education in basic Marxist theory be carried out in totality and in light of the historical development and thus enable the students to understand the historical sources, major contents and modern development of the basic principles of Marxist philosophy, science of history, economics,

political science, and scientific socialism. On the other hand, through the course of the history of the Chinese revolution and the socialist construction in China, we carried out education on integrating the basic principles of Marxism with the practice in China and enable our students to understand the basic experience of the Chinese revolution and the theory, policies, and practical knowledge behind the socialist construction and reform at present.

In order to help our students widen their field of vision and enable them to have the correct stand and relatively strong adaptability under the environment of opening up to the outside world, we should also teach them some appropriate knowledge about politics, economics, and international relations in the present world. As common courses for all faculties in our institutions of higher learning, we should say that this arrangement of courses is relatively reasonable. Of course, the most difficult thing to do in the reform of education is not the arrangement of the courses. A truly difficult problem lies in how we are to implement the principle of integrating theory with practice and add new contents to the teaching of all sections of the courses. The CPC Central Committee's circular also puts forward requirements of principle in this area. These requirements of principle need to be made concrete in the process of writing new teaching materials. Therefore, the work of editing and writing new teaching material is the key link in educational reform and it is also an arduous task.

In short, the basic goal of this educational reform is to preserve and carry on the essence of the Marxist theory of being closely linked with reality and of continuously developing and making progress, and to overcome the shortcomings in the current contents and methods of teaching in order to facilitate strengthening of the position and role of courses in Marxist theory in our schools, in order to effectively heighten the ideological level and improve the political quality of the students in our schools of various levels, and in order to train a large number of personnel who are consciously loyal to the cause of socialist modernization and who have pioneering spirit.

This is an important part of the reform of all education in our schools. Understanding this fact is of particularly great significance for the comrades who are engaged in teaching Marxist ideology and theory courses, in particular, for those who are responsible for the work of teaching in schools of various levels. If we look down upon or neglect the position and role of Marxist ideology and theory courses in our schools, it will be impossible for us to really understand the significance in the reform of this education or to make efforts to do this work well.

At present, some comrades are pitting Marxist ideology and theory courses against cultural and professional courses. They pay attention to the significance of education in cultural and professional knowledge for our modernization (this is entirely correct). But, they fail to properly understand the significance of education in Marxist thought and morality and in political theory. (They should not do this.) Some comrades hold that since education in this area is not much suited to the demands of the situation or the students' needs, this shows that it is not important.

Others even regard this education as something "not essential." Therefore, whenever they talk about reform, they mainly think about ways to reduce the number of classes for these courses and the elimination of necessary examinations. They do not pay attention to how we are to improve, enrich, and develop this education. This understanding does not conform to the principle of our education nor does it meet the CPC Central Committee's requirements on the reform of education in Marxist theory courses.

Our party has repeatedly emphasized that while carrying out the construction of a high degree of material civilization, we must strive to build a highly developed socialist spiritual civilization. Practice has proved that the more vigorously we open up to the outside world and enliven the economy at home, the greater the importance that we should attach to the party's ideological and political work and education in Marxist ideology and theory. We should not only enable our students to master the scientific and cultural knowledge that is necessary for the modernization, but first of all we should enable them to have a firm and correct political orientation and to be dedicated to serving the people. We should realize the importance of the reform in teaching of courses in Marxist ideology and theory in our schools from such a high plane.

The CPC Central Committee's circular points out that while strengthening the CPC Central Committee's macro guidance over the reform of teaching of courses in Marxist ideology and theory, we should give full play to the initiative and creativeness of the schools of various levels, and in particular, of our teachers. Our vast number of teachers are presently very active in carrying out the reform of this education. Many schools and teachers are improving the teaching of the original courses in light of the requirements and in the spirit of reform. At the same time, some schools that are provided with the necessary conditions have already begun making preparations for experiments for reform. In this process, we should obey the requirements of principle on the arrangement of the courses of the schools of various levels, and ensure the necessary time for teaching and adequate manpower for editing the teaching materials.

On the other hand, we should make, in the light of our actual conditions, concrete arrangements of the courses and make diverse tests and experiments concerning the contents and methods of teaching. In order to do this work well, it is very important to have a correct and unified understanding of the importance and significance of the work when this reform begins.

As long as all of us have such an understanding, as long as we all give full play to our initiative and creativeness, and as long as we all continue to do this work firmly, conscientiously, systematically, and soundly, we will certainly be able to achieve the expected results in teaching the courses in Marxist ideology and theory.

/6091

CSO: 4004/7

ROUNDUP OF THE DISCUSSION CONCERNING THE REFORM OF THE TEACHING OF POLITICAL ECONOMICS (SOCIALIST SECTION)

Beijing RED FLAG in Chinese No 18, 16 Sep 85 pp 45-47

[Article by RED FLAG Theoretical Education Editorial Office]

[Text] The "Discussion Concerning the Reform of the Teaching of Political Economics (Socialist Section)" has, since it was launched in the No 6 issue this year, received the warm support of a vast number of readers, especially those comrades engaged in teaching and research into political economics. Apart from receiving a large number of manuscripts, we have also received many letters giving ideas on and support to the discussion. In accordance with scheduled plans, the discussion draws to a close with this issue.

The discussion has touched on a series of basic questions in the reform of educational materials for socialist political economics. Fairly unanimous ideas have been obtained on some questions. On a small number of other questions, quite large differences remain. Some comrades put forward ideas for reforming education and also plans for compiling new educational materials. In general, through the exchange of ideas, mutual inspiration, the debating of points, pooling wisdom, and drawing on all sides, this has played a role in promoting the reform of education.

I

The main gains of the discussion have been manifested in an increased understanding of the great significance, on the theoretical level, of the "Decision of the CPC Central Committee on Reform of the Economic Structure" and of its guiding importance in reforming education. Everybody agrees that the "Decision" is a product of combining the universal truths of Marxism with the realities of China. In many respects, especially on the question of the planned commodity economy, this is an important breakthrough. On the theoretical level, it resolves the problem of establishing a socialist economic system which is full of life. This, of course, provides an important basis for reforming the teaching of political economics and for compiling a new system of texts.

From the high plane of theory embodied in the "Decision," we can see that the original educational materials had shortcomings in their systems,

contents, and methods. In terms of the system, the socialist economy which the original educational materials reproduced was not an organic structure analyzed in a dialectical way. Rather, it seemed like a collection of economic laws which had been arranged in a mechanical way. That is to say, they failed to bring to light the internal relationships of the socialist relations of production and did not form a tightly local scientific theoretical system. In terms of the contents, many of the theoretical ideas in the original educational materials were fettered by a number of book judgments which had not been proven in practice. They were reflections, on the ideological level, of old economic models. In terms of methods, the original educational materials had the problem of divorcing theory from practice to various degrees. When describing basic theory and economic laws, they often stopped at the analysis in Marxist-Leninist works and simply took the new situations and new problems which have arisen in socialist construction as specific examples illustrating those theories and laws. When there were contradictions between practice and the original theories, they lacked the courage to proceed from facts and sum up and prove new theories and laws. They also lacked the scientific spirit of developing and blazing new trails in a seek-truth-from-facts way. This greatly weakened the effectiveness and attractiveness of this science.

Since the 3d Plenary Session of the 11th CPC Central Committee, a number of new educational materials have successively appeared. These educational materials are, to different degrees, an improvement on the original educational materials in terms of ideas, structure, and methods. On many questions, they effect pleasing results. However, they are still far removed from what is demanded by socialist construction and the reform of the economic system. Thus, further improving the original educational materials or compiling new ones in accordance with the spirit of the "Decision" is a matter urgently awaiting resolution.

Another thing gained in the discussions is that relatively unanimous opinions have been realized in regard to several problems in the direction of and principles in the reform of the relevant educational materials.

Many comrades believe that the direction for improving educational materials is not to make them a collection of policies and not to make them a special program feasible for specific economic problems. Rather, through revealing the objective laws of economic movement, they should provide a theoretical base for sectoral economics or practical economics and provide a theoretical basis for resolving the important questions of principle in socialist construction.

Comrades hold that socialist economics educational materials should have Chinese characteristics. The patterns of movement in the socialist economy which are described and explained by socialist political economics are manifested in the true-to-life specific forms of each country. Thus, our research should pay attention to all the specific forms in which the general laws are realized and the country and national characteristics which back them. Today, as we build socialism with Chinese characteristics, it is even more necessary that educational materials fully manifest on the

theoretical level the concrete expressions of socialist economic laws in China.

Many comrades have also pointed out that the educational materials should manifest the idea of "learning from the people of the world." We should study all economic theories of the world which contain scientific components and extract their essence for our own use, so as to assist and serve as reference in enriching and developing Marxist economic theory.

II

In the discussion on some questions, differences remain. This is in regard to how we are to establish a scientific system with a tightly logical structure. There were several different ideas, especially on the questions of starting point categories and the main line.

On the question of starting point categories, some comrades hold that we should take the public ownership of the means of production as the starting point. This, they feel, is because only by taking this as the point of departure in research will it be possible to reveal the nature of our nation's diverse economic forms and the planned commodity economy. Only then will it be possible to accord with the principle of unifying logical points of departure and historical points of departure.

Some comrades have other ideas on this, holding that in analyzing the socialist economy, we should take commodities as the starting point. This is because the "three characteristics" (universality, abstractness, and contradictory nature) possessed by commodities, which are the starting point in studying the capitalist economy, are still applicable in socialist economics. Some other comrades hold that the series of socialist economic categories and economic laws should bring their roles into play based on a socialist commodity economy. They feel that taking commodities as the starting point category will be of benefit in revealing the differences between the characteristics of socialism and communism, will assist in explaining the objective laws of socialist economic movement, and will be beneficial in comparing and studying the different ways to join the planned economy and the commodity economy.

Some comrades hold that commodities cannot epitomize the special nature of socialist economic relations. They feel that only the joint labor of free joint laborers can fully reflect the special form of combination between socialist laborers and the means of production. Still other comrades hold that we should not sweepingly take socialist joint labor as the starting point category, but that we should take the joint labor at the level of socialist enterprises as the starting point.

On the question of the main line, some comrades propose basic socialist economic laws as the main line. Some others think that we should not sweepingly speak of the basic socialist economic laws as the main line, but that we should use a specific category to indicate it. They propose taking the necessary value, that is the new value created by joint laborers (V plus M), as the main line.

Other comrades believe that taking (V plus M) as the main line is not enough. They believe that funds (C) together with net output value (V plus M) together form the axis of the movement of the socialist economy and that neither can be dispensed with.

Still other comrades point out that the relationships of responsibilities, rights, and interest among the state, enterprises, and workers, which are based on public ownership, form a main line which is an overall theoretical system. They believe that these relationships are the basis of all economic relationships and that they determine the horizontal commodity and monetary relationships between socialist enterprises in this period as well as the basic characteristics of a division of work and distribution according to work within enterprises.

Finally, other comrades hold that "a planned commodity economy based on public ownership" should be taken as the main line.

III

During the discussion, many comrades gave their ideas on the reform of educational materials both now and in the future. Many comrades hold that, seen from the present situation, the conditions are not yet ripe for establishing an ideal scientific system. However, education cannot be halted. Thus, they advocate that some better basic educational materials should be revised. Unscientific ideas which have not been proved in practice should be removed and ideas which are insufficiently scientific will be revised. Those scientific aspects which accord with the actual situation should be retained, while weak points should be strengthened and enriched. However, other comrades feel that the original educational materials are, to a great degree, reflections on the theoretical level of the ossified economic system, and they must be changed completely.

Still other comrades believe that the issuance of the "Decision" indicates that the initial conditions for establishing a new system have been realized. They stress that the vitality of economics lies in blazing new trails. They stress exploration in establishing a new system.

We believe that all these ideas have good points and that they are not mutually exclusive. That is to say, in accordance with the spirit of "letting a hundred flowers blossom and a hundred schools of thought contend," some comrades should select educational materials which have a good base and revise them, and other comrades, in accordance with their own ideas, should independently or together with comrades who share the same ideas, compile treatises or textbooks with completely new systems. If we are to resolve differences in understanding, writing articles and having discussions is one way to do this, but publishing significant treatises is more important. If some educational materials are compiled particularly well and are praised by a large number of comrades, it is not inconceivable that they could be used on a unified basis throughout the whole country. We should take such works as the direction for our efforts.

As many comrades have pointed out in the discussion, regardless of whether revising former educational materials or compiling textbooks with a new system, all should take the spirit of the "Decision" as their guide. This point is firm. But, when we speak of the spirit of the "Decision," this refers to the stand, the ideas, and the methods. It refers to the basic principles and basic policies put forward, not to individual terms or statements on specific problems. The "Decision" provides a new breakthrough in terms of understanding the socialist economy and symbolizes great development in socialist political economics. However, it is not a complete understanding of socialist economic laws. In our future practice, we must continue to explore and expand. Thus, in reforming education and compiling educational materials, we must use the "Decision" as a model and earnestly implement the idea of combining the basic principles of Marxism with China's actual situation. We must pay close attention to the practice of socialist construction and reform of the economic structure, continually researching the new situation and new problems which arise through practice. We must also strive to use the new experiences gained from practice to enrich our theoretical principles. In this way, educational materials will contain vibrant Marxist political economics which develops with the development of socialist construction.

/6091

CSO: 4004/7

PONDERING OVER THE REVOLUTIONARY HISTORY OF THE PEASANTS--ON READING THE NOVEL 'GREAT EARTH'

Beijing RED FLAG in Chinese No 18, 16 Sep 85 p 48

[Article by Guo Rui [6753 3843]]

[Text] A nation undergoing huge changes especially needs a strong sense of history. New period literature has an unshirkable duty and mission in this respect. Comrade Qin Zhaoyang's [4440 0340 7122] long novel "Great Earth," which is about revolutionary history, is an outstanding work full of a profound sense of history.

Engels once pointed out that the difference between Hegel and other philosophers was that "his thought had as its base a great sense of history." He always "handled materials historically, with a fixed (although abstractly skewed) relationship with history." However, whether or not a long novel has a sense of history depends on whether or not it reflects in a special artistic form what has been digested by the writer's consciousness, and whether it grasps those contents of social life which form internal laws. "Great Earth" is set against the historical background of the period from the defeat of the Yihetuan Uprising to the Lugouqiao Incident. It takes the heroes of the defeated Yihetuan Uprising, Old Respected Zhao, Old Stubborn Zhang, and Uncle Bai and his wife, their children, and the vast masses of poor peasants as one side, and the despotic landlord Liao Yunjie and his nephew as well as the officials, local brigands, and the reactionary troops as the other side. On the north China plains, in the three related but distinct areas of the Great Liao Family Village, Jintuo Township, and Laohuai Village, we see the extreme suffering in the villages of old China and the intense class struggle. This serves as background for a description of the difficult lives of the impoverished peasants and the process of their struggle, suffering, revenge, and striving over the long months and years until finally they take the road of armed struggle under the leadership of the party. It creates for us a historical scroll which has much atmosphere and deeply touches the soul. The overall artistic conception of the work shows that the author's intention is to explore the nature of the Chinese peasants' revolution and its historical destiny.

The novel's profound sense of history is first reflected in the depiction of the national temperament as manifested in Chinese peasants. In the

portraits of the poor peasant masses which the author paints, we see goodness, honesty, and simplicity--some of the traditional national characteristics. However, this goodness, honesty, and simplicity is not equivalent to softness and timidity. Sincerity, kindness, and modesty likewise do not mean that meekly submitting to oppression. Much less does their reserve and their tolerance indicate that they just drag out an ignoble existence. While being tempered on the anvil of class struggle, they are also forging a praiseworthy, firm, and persistent nature. Regardless of whether it is Old Stubborn Zhang, the blacksmith, breaking out of jail and fleeing, carrying his daughter to hide in the Great Liao Family Village, or the gravetender Wu Shuken saving the hair bun of his wife who had died through humiliation and taking each and every bone of the Liao family's ancestors and crushing them to pieces; regardless of whether it is old Wang Jian, who had had the tendons in his legs severed but who still taught the children and who carved on every tree in the village the two characters "never forget," or Old Uncle Bai and Auntie Bai who actually engaged in mortal combat with the foreigners and the landlords--in all of these we see the perpetual unbending will of struggle and actions of resistance. Of these people, Old Respected Zhao is a model character. He is a tough man of steel with an irrepressible sense of justice, but a man who would rather die than kneel before others. However, the blood lessons have caused him to realize this truth: "Spitting sparks indicate a poor fire. A strong fire does not put out sparks." In order to cope with a strong and cunning enemy, it was necessary to learn how to endure humiliation and to preserve life in order to carry out important tasks. His organizing the "censer and sickle society for fairness," the burning of the Liao family storehouse, the execution of Liu Pichen, the manager of the storehouse, and other such activities, as well as his continued striving over decades as if they were a single day, all show his earthy, deep, solid, heroic, unbending, eternal, and indestructible nature and characteristics. This is also the basis on which our Chinese nation has passed, through all sorts of calamities and difficulties, but without subjugation.

The deep and broad sense of history in the novel is also manifested in its convincing explanation that the road of revolution was the only way out for the peasants in old China. On the one hand, it depicts the revolutionary nature of Old Respected Zhao and the others as they repeatedly meet difficulties but are unwilling to remain silent. On the other hand, it shows the tragic factor as they engage in struggle prior to finding the guidance of the party. There is a contradiction between the demand to change the methods and strategies of struggle and their inability to meet this demand. This contradiction is only resolved after the appearance of the party's representative, Ping Dishan. This not only provides Old Respected Zhao and the others with the beauty of sadness and sublimity, but also manifests the direction in which the historical enthusiasm and historical initiative were fully brought into play and the end results. After the second chapter of the book, the story revolves around the sons and daughters of Old Respected Zhao and other older generation heroes. We meet Zhao Jinzhu, Wang Jinsheng, Zhao Dapeng, Bai Luan, Zhao Erdiao, Bai Feng, and others. The story expands from its original basis and radiates, which shows great artistic originality. This section deeply reflects the irreconcilable

differences between the peasants and the landlord class and shows the solid social foundation for the new democratic revolution led by the party.

The author's efforts in terms of artistic expression achieve success on several fronts. The narrative language fuses grave, lyricism, passion, and history, and the characters' language is imbued with the freshness of human nature. The characters are rich in romantic color but they do not lose their reality. Through the mouths of the characters in the book, the format of storytelling is used to describe human history and the complicated times. What is particularly noteworthy is that the author, in order to stress the historic atmosphere of the novel, creates the two guiding natural images of the "black night" and the "great earth." These play a very good contrasting role in the creation of the characters' personalities and in depicting the development of the struggle.

"Oh, the river of history, it flows without end, What flows are the deep thoughts of history." This two sentence poem at the beginning of the first chapter epitomizes the author's search for an aesthetic ideal, that is, a lofty sense of history.

/6091

CSO: 4004/7

STUDY SOME MARXIST PARTY THEORY--RECOMMENDING 'AN OUTLINE OF MARXIST PARTY THEORY'

Beijing RED FLAG in Chinese No 18, 16 Sep 85 inside back cover

[Article by Su Caiqing and Dai Guangtian]

[Text] Since the promulgation of the "Communist Manifesto," the Communist Party has seen more than 130 years of existence and development. In the last 100-plus years, the Communist Party has developed from a very small organization to a huge political force on a world scale. It has also become the ruling party in our country and in some other countries. In order to preserve the ruling party's great vitality and fighting capacity, it is necessary to study and research Marxist party theory.

What, then, is Marxist party theory? What basic principles are involved in this theory? How did these principles emerge, grow, and develop? Which outstanding contributions did Mao Zedong and the other proletarian revolutionaries of the older generation make in regard to Marxist party theory? Which of Mao Zedong's theories on party building has the party Central Committee in the new period enriched and developed? The book "An Outline of Marxist Party Theory," jointly authored by Wei Ping [1728 5588 5493] and Zhang Liejun [1728 0441 6511] and published by Gansu People's Publishing House, answers and discusses these questions. This book, which systematically discusses Marxist party theory, uses simple and succinct language and should be read by party cadres at all levels and by teachers and researchers in party building.

This work has three major characteristics:

1. It is scientific. In the introduction, the authors discuss what Marxist party theory is. They believe that party theory is a science concerning the emergence and development of proletarian political parties and the patterns of party building. It is a science of the leading position and role of the party and how it realizes correct leadership. The writers hold that as long as the Communist Party exists and develops, this science will remain vital and lively. At the same time, they stress that this science is an important component of scientific socialism. However, as it has its own special research targets and fields, it has already formed a largely complete theoretical system and thus it can be studied as a relatively independent

science. When discussing the basic principles of party building, this book closely links it with the historical conditions of the times, then summarizes and draws conclusions in a seek-truth-from-facts way. This allows people to see that Marxism-Leninism-Mao Zedong Thought has the characteristics of the times in which they appeared with regard to the basic principles of party theory.

2. It is systematic. The writers, by coordinating the work with the needs of party building courses in party schools, systematically introduce the process by which Marxist party theory emerged, formed, and developed. The book simply and concisely explains the characteristics of Marxist party theory during different periods. The authors believe that Marx and Engels laid down the theoretical base for party theory, that Lenin and Stalin established a new integrated proletarian political party theory, and that Mao Zedong and other proletarian revolutionaries of the older generation creatively developed Marxist-Leninist theory. They believe that since the 3d Plenary Session of the 11th CPC Central Committee, the party Central Committee has newly enriched and developed Mao Zedong's theories on party building. The basic principles put forward by the revolutionary teachers systematically answer a series of important theoretical questions, such as why the proletariat needs to establish a party, what sort of party they need to establish, and how they are to establish it.

3. It is practical. Throughout the book, it is stressed that Marxist party theory comes from the practice of party building. It is a theoretical summation of the experiences gained in party building, and in turn guides the party in party building. In writing this book, the authors stressed both historical fact and practice. They pay attention to discussing the principles of guiding significance in party building from eight angles, and the enrichment and development of these principles by the party Central Committee since the 3d Plenary Session of the 11th CPC Central Committee. Readers will find this of practical significance as well as enlightening.

Throughout the book, history and discussion are combined, each interwoven with the other. The contents are rich, the arrangement well-organized, and both are distinctive. However, there are restrictions in terms of space, and some of the introductions given to famous works on party building are too abbreviated. It is also lacking in terms of insufficient introductions of the party building experiences of proletarian political parties throughout the world. It is hoped that the authors will remedy these matters when the book is revised.

/6091

CSO: 4004/5

WELCOMING SUBSCRIPTIONS TO RED FLAG IN 1986

Beijing RED FLAG in Chinese No 18, 16 Sep 85 outside back cover

[Advertisement]

[Text] RED FLAG is a publication on political theories and is edited by the CPC Central Committee. Its principal tasks are: In close integration with reality, to propagate the basic theories of Marxism-Leninism-Mao Zedong Thought, and to theoretically explain and expound the party's road, guidelines, and policies; to sum up and exchange new experiences in socialist modernization; to narrate and interpret in theory various new problems found in actual practice; to comment on international problems and international ideological trends, and to assist and guide the cadres in the study of political theories.

The guideline when editing RED FLAG is to liaise between theory and reality. During the celebration for the 25th anniversary of the publication of RED FLAG, Deng Xiaoping and other party and government leaders wrote words of encouragement for the journal. Comrade Deng Xiaoping wrote: "Theoretical work must serve socialist modernization." Comrade Chen Yun wrote: "Practice requires guidance in theory; there must be liaison between theory and reality." These inscriptions and words further point out the direction for RED FLAG to pursue in order to make further progress in the new historical era.

The principal and special points of articles in RED FLAG are that they are theoretical, policy-making, and thought provoking. RED FLAG rigidly insists that its contents must maintain the principle of unanimity in politics with the CPC Central Committee, striving hard to achieve correct viewpoints, full verification of presentations, logical reasoning, and meticulous editing, so as to help the masses to raise their ideological and theoretical level.

Readers of RED FLAG come from exceptionally broad circles. They include masses of party members and cadres, theoretical workers, ideological and political workers, and young intellectuals (mainly college students). Frequently reading RED FLAG helps to gain a deep understanding of the various important guidelines and policies; of important theoretical problems in various fields such as politics, economics, philosophy, history,

literature and art, education, science and technology, international relations; and particularly of the major and important theoretical problems related to the various reforms in our country at present.

Each issue of RED FLAG, in addition to publishing major articles, carries various special columns such as forums, new topics, ideological commentaries, economic commentaries, theoretical studies for cadres, explanations of problems, youths' universe, literature and art commentaries, international commentaries, work and study, investigations and reports, book reviews, and so forth. They are lively and have rich contents.

Since its publication, RED FLAG has been circulated both in the country and abroad. Inside the country, the post office takes care of its circulation (the domestic circulation code is: 2-371). Outside the country, the Chinese International Books and Publications Main Trading Corporation takes charge of its circulation (the circulation code abroad is: sm 5, Beijing P.O. Box 2820). Its circulation abroad has reached many countries and areas including Asia, Africa, Europe, North America, and Latin America.

RED FLAG is a semimonthly journal published on the 1st and the 16th of each month. There are 24 issues a year. Its price is 0.26 yuan per copy, 1.56 yuan per quarter, and 6.24 yuan for the year. Post offices in various parts of the country are now inviting subscriptions. Units, groups, and individuals are welcome to place orders for the magazine at the post offices in their respective localities.

/6091

CSO: 4004/7

END